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# Daily Report

# East Asia

FBIS-EAS-93-025
Tuesday
9 February 1993

# Daily Report
## East Asia

*FBIS-EAS-93-025* CONTENTS *9 February 1993*

**NOTICE TO READERS:** An * indicates material not disseminated in electronic form.

## INTER-ASIAN AFFAIRS

- More on Mekong River Cooperation Pledge *[AFP]* 1
  - Communique Signatories Listed *[VNA]* 1
- Northeast Asia Drafting Environmental Plan *[YONHAP]* 1

## NORTHEAST ASIA

### Japan

- Tokyo To Continue 'Policy of Banning Rice' *[KYODO]* 3
- Steelmakers Warn of Danger in Antidumping Move *[KYODO]* 3
- Possible Reduction of U.S. Bases Viewed *[RYUKYU SHIMPO 2 Feb, etc]* 3
- Justice Minister Opposes Opening Legal Market *[KYODO]* 4
- Russian Far East Oil, Gas Deposits Estimated *[KYODO]* 4
- Dispatch of Personnel to Mozambique Urged *[KYODO]* 4
- Official on Participation in UN Operations *[KYODO]* 5
- EC-Tokyo Auto Quota Meeting 'Inconclusive' *[KYODO]* 5
- Firm, European Microchip Maker Discuss Tie-Up *[KYODO]* 5
- Mitsubishi Asked To Buy Plant in Britain *[KYODO]* 6
- Philippines' Romulo Asks More Financial Aid *[Quezon City MALAYA 6 Feb]* 6
- Eda To Cooperate With SDPJ Shadow Cabinet *[KYODO]* 6
- Kajiyama Approves Ozawa Testimony on Scandal *[KYODO]* 7
- LDP Refuses To Name Witnesses in Diet Probe *[KYODO]* 7
- Call of Takeshita as Unsworn Witness Suggested *[KYODO]* 7
- LDP Agrees to Demand To Summon Takeshita *[KYODO]* 8
- Opposition Rejects LDP Proposal on Testimony *[KYODO]* 8
- Document Links Takeshita to Art Scandal *[KYODO]* 9
- Warning Issued on Fake Government Certificates *[KYODO]* 10
- Banks Urged To Ease Lending Conditions *[KYODO]* 10
- Business Leaders Discuss Cooled Economy *[KYODO]* 11
- Agency To Investigate Agricultural Chemicals *[KYODO]* 11

### North Korea

- Daily Says U.S. Must End 'Policy of Strength' *[KCNA]* 12
- Team Spirit, U.S. 'Asian Strategy' Linked *[KCNA]* 12
- U.S.-ROK Joint Military Exercises Reported 13
  - Planes 'Massed' in South 7 Feb *[KCNA]* 13
  - 'Sources': 5 Feb Air Exercises Held *[KCNA]* 13
  - 4 Feb 'Air War Exercise' Reported *[KCNA]* 13
  - Jan-Feb Military Exercises Outlined *[KCNA]* 13
- Radio Sees 'No Reason' To Resume Team Spirit *[Pyongyang Radio]* 14
- U.S., ROK 'Hampered' Nuclear Settlement *[KCNA]* 15
- South 'Must' End Nuclear Weapons Development *[KCNA]* 16
- South's 1992 Defense Expenditures Denounced *[KCNA]* 16
- Action Against Chong Chu-yong in South Denounced *[KCNA]* 16
- Kim Yong-sam's Reunification Intent Questioned *[KCNA]* 17
- DLP 'Suppression' of Opposition Denounced *[KCNA]* 17
- Cilreco Adopts 1993 'Action Program' in Paris *[KCNA]* 18
- KCNA Denounces Motion for Japan UNSC Seat 19
  - Japan's 'Gendarme' Ambition Viewed 19
  - Permanent Seat Opposed 19
  - Warns Against 'Leadership Role' *[KCNA]* 20
- Pakistan's Khan Notes DPRK Achievements *[KCNA]* 20
- SPA Chairman Meets Pakistani Officials 31 Jan *[Pyongyang Radio]* 20
- Iranian President Receives SPA Delegation *[Pyongyang Radio]* 21

- 'Full Text' of Tax Law on Foreign Investments *[KCNA]* 21
- New Laws on Foreign Enterprises Highlighted *[KCNA]* 26
- Paper Hails 'Politics of Benevolence' *[Pyongyang Radio]* 27
- Symposium Marks Anniversary of Movement *[KCNA]* 31
- Socialist Youth Discuss Kim Chong-il Idea *[KCNA]* 31
- Importance of 'Monumental Edifices' Stressed *[KCNA]* 32
- KPA Said Unified Around Supreme Commander *[KCNA]* 32
- Daily Urges Economic Plan Development *[Pyongyang Radio]* 33
- Daily Urges Enhanced Fertilizer Production *[Pyongyang Radio]* 35

**South Korea**

- Chong Chu-yong on Retirement From Politics *[YONHAP]* 36
    - Legal Prosecution Continues *[YONHAP]* 37
    - Parties React to Resignation *[YONHAP]* 37
    - UPP's Future Viewed *[YONHAP]* 38
- DLP on 'Phased-in' Government Reduction *[YONHAP]* 39
- Closing of Two Ministries Discussed 39
    - DLP, Administration Agree *[YONHAP]* 39
    - DP Opposes Closure *[THE KOREA HERALD 9 Feb]* 40
- No Tae-u on Lack of Summit Meeting With North *[YONHAP]* 40
- ROK-DPRK Trade Drops Due to North Economy, Talks *[YONHAP]* 40
- Board Studies DPRK Laws on Foreign Investment *[YONHAP]* 40
- DPRK Goods 'Affirmatively Assessed' in South *[HANGYORE SINMUN 7 Feb]* 41
- DPRK Explores Trade Possibilities With West *[CHUNGANG ILBO 8 Feb]* 42
- Editorials React to U.S. Defense Spending Cuts 43
    - Cuts Deserve 'Korean Concern' *[THE KOREA TIMES 9 Feb]* 43
    - Link to Asian Security Viewed *[THE KOREA HERALD 9 Feb]* 43
- Livestock Group Issues Antibeef Import Statement *[THE KOREA HERALD 9 Feb]* 44
- ROK, PRC To Cooperate in Petrochemical Sector *[YONHAP]* 44
- Sunkyong To Take Part in PRC Telecom Project *[YONHAP]* 44
- Firms Compete for ROK-PRC Shipping Routes *[YONHAP]* 45
- ROK, PRC Open Aviation Meeting in Shenzhen *[YONHAP]* 45
- Ministry: No Decision on Japan UNSC-Seat Bid *[YONHAP]* 45
- Official Discusses SRV Foreign Minister's Visit *[THE KOREA TIMES 9 Feb]* 46
- Company To Insure Payment Exports to SRV *[YONHAP]* 47
- Auto Exports Increase to Europe, Middle East *[YONHAP]* 47

**SOUTHEAST ASIA**

**Burma**

- Delegates Hold 5th Day of Panel Discussions *[Rangoon Radio]* 48
- 429 Rohingyas Return; 20,249 Repatriated So Far *[Rangoon Radio]* 48

**Brunei, Malaysia & Singapore**

**Malaysia**

- USNO Denies Report on Cooperation With PBS *[Kuala Lumpur Radio]* 48
- Sabah Chief Minister Confirms Talks With USNO *[NEW SUNDAY TIMES 7 Feb]* 49
- Ghafar Unworried Over Possible USNO Withdrawal *[Kuala Lumpur Radio]* 49
- Mauritius Premier Arrives for Visit 8 Feb *[BERNAMA]* 49
- Government 'Firm' on Constitutional Amendments *[NEW SUNDAY TIMES 7 Feb]* 49
- India Offers To Train Pilots on Russian Jets *[Delhi TV]* 50

**Singapore**

- 1992 Inflation Rate Drops to 2.3 Percent *[THE STRAITS TIMES 29 Jan]* 50
- Lee Kuan Yew: Khmer Rouge Part of Peace Process *[Bangkok BANGKOK POST 7 Feb]* 51

**Cambodia**

- KR Military Activities in Late Jan Reported *[SPK]* 52
- Deserters, Police Said To Clash in Battambang *[Radio VGNUFC]* 52
- Ministry Denies Exporting Logs to SRV *[Phnom Penh Radio]* 52
- SRV Families Reportedly Settle in Koh Kong *[Radio VGNUFC]* 52
- Sihanouk's 6 Feb Message Appeals to Factions *[Radio VGNUFC]* 52
- Sihanouk Leaves Beijing for Phnom Penh *[AFP]* 53
    - To 'Fly Directly' to Phnom Penh *[Bangkok THE NATION 7 Feb]* 53

- UNTAC Denies Phnom Penh Statement on Weapons *[AFP]* 53
- Thai Report on Seized UN Weapons Denied *[Phnom Penh Radio]* 54
- DK Restates Conditions for General Polls *[Radio VCNUFC]* 54
- 'Independent Press' Turns 'Pro-Government' *[AFP]* 56
- Heng Samrin, Bou Thang in Ratanakiri Province *[Phnom Penh Radio]* 56

**Indonesia**

- Former UN Officer on Cambodian Situation *[ANTARA]* 57
- Suharto Receives Visiting Malaysian Minister *[Jakarta Radio]* 57
- Islands Dispute With Malaysia To Be Diffused *[AFP]* 57
- Investment, Visits to PRC Province Increasing *[ANTARA]* 58
- Daily Discusses Human Rights Situation *[THE JAKARTA POST 29 Jan]* 58

**Laos**

- Foreign Investors Open First Commercial Bank *[Bangkok BANGKOK POST 8 Feb]* 59
  - Khamphoui Keoboualapha Attends Opening *[KPL]* 59
- ADB Grants Loan for Roads in South *[Vientiane Radio]* 59
- Phoun Sipaseut Receives Vatican Emissary *[Vientiane Radio]* 59

**Philippines**

- Legislators Debate NAFTA Impact on Economy *[THE MANILA CHRONICLE 25 Jan]* 60
- NUC Chief Explains Power To 'Intervene' *[THE MANILA CHRONICLE 7 Feb]* 60
- RAM Criticizes NUC Chief for 'Interference' *[THE MANILA CHRONICLE 7 Feb]* 60
- NUC Chief Retires From Election Body *[MANILA BULLETIN 9 Feb]* 61
- Senator Advocates Embassy Extension in Sabah *[MANILA BULLETIN 6 Feb]* 62
- Editorial Views 'New Realities' of Diplomacy *[THE MANILA CHRONICLE 5 Feb]* 62
- Central Bank Data Shows 25% Rise in Imports *[THE MANILA CHRONICLE 7 Feb]* 63

**Thailand**

- Key Officers View Chuan's Army Policy *[BANGKOK POST 8 Feb]* 64
- Chuan Wants Neutral Poll Agency Set Up *[BANGKOK POST 8 Feb]* 65
- Rightists Told To Wait for Suchinda Reemergence *[BANGKOK POST 8 Feb]* 65
- Firm Unveils SRV Industrial Estate Plan *[BANGKOK POST 8 Feb]* 66
- Russia Asks To Postpone Payment for Rice *[Radio VOFA]* 66
- Tape Copyright Fee Reduction To Be Discussed *[NAEO NA 7 Feb]* 67
- EC To Lift Threat Against Thai Exports *[THE NATION 6 Feb]* 67
- 1,474 Import Tariffs To Drop Under AFTA Plan *[THE NATION 9 Feb]* 67

**Vietnam**

- Mitterrand Greeted by Leaders on Arrival 9 Feb *[AFP]* 68
  - Hanoi International Comments on Visit 68
- ASEAN Parliamentarians Conclude Visit *[VNA]* 68
- Editorial Marks Party's 63d Anniversary *[Hanoi TV]* 68
- Article Discusses Peaceful Evolution *[Hanoi Radio]* 69
- Premier Meets Heads of Major State Businesses *[VNA]* 71
  - Chairs Meeting on Socioeconomic Issues *[Hanoi Radio]* 71
- Do Muoi, Dao Duy Tung Visit Ninh Binh *[Hanoi Radio]* 72
- 1992 Allocations to Mountain Regions Increase *[VNA]* 72
- Finance Ministry Holds Conference on 1993 Tasks *[Hanoi Radio]* 73
- Agreement on Sailors for Japanese Ships Signed *[Hanoi Radio]* 73

**AUSTRALASIA**

**Australia**

- Employment, Investment Incentives Expected *[AFP]* 74
- Keating Delivers Key Economic Statement *[Melbourne International]* 74

**Papua New Guinea**

- PM's Indonesia Trip Includes 140 Businessmen *[Melbourne International]* 75

**Tonga**

- Pro-Democracy Candidates Gain Seats in Assembly *[AFP]* 75
- Official Rejects Opposition Claims of Victory *[AFP]* 76
- Prime Minister: No Public Desire for Change *[AFP]* 76

**Western Samoa**

- New Zealand Foreign Minister Visits *[AFP]* 77

## More on Mekong River Cooperation Pledge

*BK0502104893 Hong Kong AFP in English 1016 GMT 5 Feb 93*

[Text] Hanoi, Feb 5 (AFP)—The four Mekong River countries—Cambodia, Laos, Thailand, and Vietnam—pledged here Friday to hammer out within eight months a framework for cooperation in developing the vital waterway, officials said.

While the agreement fell short of the reconstitution of the Mekong Committee, diplomats and United Nations Development Program (UNDP) officials said it represented a breakthrough on the contentious issue.

"They've agreed to set up a framework, and they've given themselves an October 1 deadline. A year ago, you may have doubted whether they would even be talking now," said Roy Morey, UNDP representative in Vietnam.

Debate over the Mekong issue was unleashed by the October 1991 Cambodian peace treaty, which cleared the way for Cambodia's re-entry into the Mekong Committee 16 years after dropping out under Khmer Rouge rule.

But Thailand opposed the reconstitution of the original committee, fearing it would veto vital irrigation projects in northeast Thailand approved by an interim Mekong committee composed of the other three members.

Friday's agreement, which diplomats said came after strong pressure from aid donor countries, calls for a Mekong working group to meet under UNDP auspices, with the next session scheduled for April in Thailand.

Originally worked out in December in Kuala Lumpur, the agreement acknowledges that some of the original principles of cooperation "may need to be redefined."

The Mekong River is vital to the economies of all four countries. Laos' primary source of foreign exchange is hydropower sales to Thailand, while downstream at its delta, the river nourishes Vietnam's rice basket.

"If they don't reach an agreement, it could be explosive," a Western diplomat said. "Historically, they've gone to war over less than water."

### Communique Signatories Listed

*BK0502150793 Hanoi VNA in English 1458 GMT 5 Feb 93*

[Text] Hanoi VNA Feb.5—A joint communique on the framework of the future Mekong cooperation mechanism among Vietnam, Laos, Cambodia and Thailand was signed here this afternoon.

Signatories were Ing Kieth, representing the Supreme National Council of Cambodia (SNC) Sitaheng Rasphone, deputy minister of agriculture and forestry representing the Lao Government Surin Phitsuwan, deputy foreign ministry representing the Thai Government and Nguyen Di Nien, deputy foreign minister representing the Vietnamese Government.

Attending the signing ceremony were Vice Prime Minister Tran Duc Luong, Minister of Irrigation Nguyen Canh Dinh, Deputy Minister of Irrigation Pham Sy Ky and many other high-ranking officials of the ministries of foreign affairs and of irrigation.

Also present at the ceremony were Krishan G. Singh, assistant to the general director and director in charge of the Asian-Pacific Region of the United Nations Development Programme (UNDP), Quangchang Shi, head of the Department on Natural Resources of the Economic and Social Commission for Asia and the Pacific (ESCAP), R. Natarajan, head of the Southeast Asia Department of UNDP, and Roy Morey, UNDP resident representative in Hanoi.

The signatories and their delegations attended the 1st session of the drafting committee of the future Mekong cooperation mechanism held here from Feb. 3-5.

## Northeast Asia Drafting Environmental Plan

*SK0902034493 Seoul YONHAP in English 0234 GMT 9 Feb 93*

[Text] Seoul, Feb. 9 (YONHAP)—South Korea, Japan, China, Russia and Mongolia began drafting an action plan Tuesday afternoon for the first regional environment coordination project, with each country putting forward its priorities.

China was expected to emphasize technology transfer related to energy renewal and conservation while Korea wants closer emphasis on air pollution. Japan wants to add marine pollution to air pollution on the priority list.

The five countries are holding a four-day senior officials meeting on environmental cooperation in Northeast Asia, the first of its kind for the region. Conference officials said they are hopeful of coming up with a concrete action plan by the end of the meeting, although the contents of the plan will have to be worked out from Tuesday afternoon.

China called Monday on the environmentally advanced nations to transfer energy-saving technology to minimize pollution, but wanted to rely more on existing cooperation mechanisms.

Tokyo has already promised an annual 7.7 billion U.S. dollars worth of technology and other assistance for five years from 1992 to Beijing.

There have been other bilateral channels of cooperation such as opening of U.N Environment Program (UNEP) environment technology centers in Osaka and in Shiga, Japan, last November.

Tokyo similarly opened in Beijing an "Environment Center in East Asia" with 80 million dollars and is hoping to open similar centers in India and Pakistan.

Seoul and Beijing are currently discussing bilateral pacts to help clean up the Yellow Sea.

Japan, like China, said it was too early to discuss establishment of new mechanisms, and called instead for information exchange and joint research and training. Korea, however, urged the participants to form a coordinating regime overseeing training and technical assistance among them.

## Japan

### Tokyo To Continue 'Policy of Banning Rice'

*OW0902093993 Tokyo KYODO in English 0925 GMT 9 Feb 93*

[Text] Tokyo, Feb. 9 KYODO—Japan said Tuesday it does not intend to bow to U.S. pressure to open its rice market.

Chief Cabinet Secretary Yohei Kono said Japan will continue to seek international understanding for its policy of banning rice imports, despite a renewed call by U.S. Agriculture Secretary Mike Espy to open the market to imports.

Espy's call to address the issue via bilateral channels should the Uruguay Round of multilateral trade talks fail is premature, Kono said.

"Everybody is making their best effort at the Uruguay Round. This is not the time to discuss the future," the top government spokesman told a daily news conference.

Espy on Monday said U.S. trade partners should end self-sufficiency policies or face U.S. retaliation, and said Washington would move to pry open Japan's rice market "whether it is in Uruguay or outside the Uruguay" talks.

Japan bans the import of rice as part of its policy of maintaining self-sufficiency in rice.

### Steelmakers Warn of Danger in Antidumping Move

*OW0902140593 Tokyo KYODO in English 1135 GMT 9 Feb 93*

[Text] Tokyo, Feb. 9 KYODO—Japan's Steel Manufacturers Federation warned Tuesday of the danger of a wave of antidumping petitions filed by U.S. steelmakers, saying they will have bad effects and hurt U.S. competitiveness.

"The filing of massive unfair trade petitions against imported steel will have several adverse consequences," the Japan Iron and Steel Federation said in a position paper on steel trade issues.

The federation said the petitions are undermining efforts to negotiate a multilateral steel agreement and threatens the supply of steel not produced in the United States, but crucial to competitiveness in some sectors of the U.S. economy.

"The unfair trade petitions are likely to affect the ability of the U.S. industry to continue the modernization process," the paper said, adding they "could jeopardize access by U.S. steel consumers to important specialty products supplied by Japan."

The federation warned these moves are likely to provide "impetus for retaliation and counterretaliation."

Federation officials said copies of the paper were sent to key U.S. economic ministers such as U.S. Trade Representative Mickey Kantor, Treasury Secretary Lloyd Bentsen, Commerce Secretary Ronald Brown, and congressional leaders.

The paper came against the backdrop of more than 100 antidumping petitions against imported steel since March 31, 1992, when voluntary restraint agreements limiting steel exports to the U.S. market expired.

The federation appealed to the U.S. Government and congressional leaders for forging a new international agreement that would end steel subsidies rather than moving to impose antidumping penalties.

Major steelmaking nations are trying to sign a new multilateral steel agreement (MSA) that would phase out steel tariffs over 10 years and ban direct state subsidies.

The U.S. administration should "proceed to a successful conclusion of the MSA negotiations," the paper said.

"This will benefit the U.S. industry, will allow the U.S. Government for the first time to treat the underlying causes of steel problems rather than just the symptoms, and avoid an unnecessary trade confrontation," it said.

### Possible Reduction of U.S. Bases Viewed

*OW0602141693*

[Editorial Report] Naha RYUKYU SHIMPO in Japanese carries on page 4 of the 2 and 3 February morning editions a two-part series entitled "The Clinton Government and Japan-U.S. Relations" by Kenji Nadoyama, former assistant to the U.S. Consulate General in Okinawa and currently a member of the committee under the Okinawa Human Resources Development Center on screening local applicants for the education program which provides selected Okinawans with opportunities to study at colleges and universities on U.S. bases in Okinawa.

In the 1,000-word part 1 article, Nadoyama talks of prospects for actions which could be taken by the new U.S. Government. He stresses that the United States will attach importance to the domestic situation for the time being. Citing new U.S. Trade Representative Kantor's remarks indicating a stand of promoting exports, Nadoyama maintains: "This stance will inevitably lead to the adoption of a more hard-line policy toward Japan. For example, in the field of economics, the U.S. Government will call on Japan to further open its market, and there is the possibility the Super 301 provision the Omnibus Trade Act (sanctions against unfair trade partners) will be revived. In the field of politics, the United States will call on Japan to play a more active role in UN-based peace activities including peacekeeping operations."

Nadoyama discusses current Japan-U.S. relations and regards them as interdependent, saying: "As everybody knows, Japan's high technology has taken deep root in the military and economy of the United States, and bilateral relations have fallen into a fix. It goes without saying that Japan needs the United States while the United States needs Japan."

He then takes up the financial issues facing the United States, saying the United States is suffering from a deficit amounting to $4 trillion. He goes on to say that to reduce the deficit, the Clinton government is required to reduce U.S. military bases. However, he notes that U.S. military bases in Japan will not be reduced because of some Asian nations' moves toward strengthening their own military. Nadoyama says: "To stop or reduce a financial deficit, what the Clinton administration has to do first is to reduce the number of military bases and personnel. Consequently, it is expected that the government will drastically reduce its military strength in European nations centered around NATO. However, I think the U.S. military bases in Asia, particularly those in Japan, will hardly be reduced. This is because there are active moves by nations in Asia toward strengthening their own military following the collapse of the Soviet Union."

In the beginning of the 1,000-word second and final part of the series, Nadoyama says that it is likely that in the near future, Japan will be forced to bear all the expenses needed to maintain the U.S. bases in Japan. He then explains the significance of Japan-U.S. Security Treaty, saying the treaty greatly contributed to Japan's economic prosperity and promoted the international community's and Asian nations' understanding of Japan. However, Nadoyama says that a revision should be made to the treaty befitting the change in the international situation, and stresses that the U.S. bases should be reduced in line with the change in the era. However, he says: "When it comes to whether the U.S. bases in Japan will be returned or reduced amid such a situation, I regret to say that there will be no big change in the situation. This is because both the Japanese and the U.S. Governments strongly hope for the continued existence of the U.S. bases in Japan and because the U.S. Government will be able to use these bases for nearly free."

He goes on to say that Okinawa Prefecture's direct appeal for the return and reduction of bases on Okianwa is almost meaningless because Okinawa Prefecture has no right to negotiate with the United States. He says: "As a realistic step, what Okinawa Prefecture has to do first is to get the Japanese Government to change its stance by strengthening movements toward the return of all the Marine Corps and Army bases—except Navy and air bases—under the unification between conservatives and reformists." In concluding the article, Nadoyama stresses that the Japanese Government holds the key to the resolution of the issue of the reduction of the U.S. bases, saying: "When appealing to the U.S. Government, it is necessary to place emphasis on making use of the proper channel. Needless to say, the proper channel here means the Japanese Government."

## Justice Minister Opposes Opening Legal Market

*OW0602113593 Tokyo KYODO in English 1114 GMT 6 Feb 93*

[Text] Tokushima, Feb. 6 KYODO—Justice Minister Masaharu Gotoda expressed skepticism Saturday about easing regulations on foreign lawyers in Japan.

In a speech to his supporters in his constituency in Tokushima, Gotoda said legal systems are different from country to country.

He said Japan cannot comply with an American request to emulate the United States, which he said is "a sort of a contracting society" backed by droves of lawyers.

The U.S. and several Western European countries are asking for greater access for foreign lawyers to the Japanese market.

## Russian Far East Oil, Gas Deposits Estimated

*OW0602110193 Tokyo KYODO in English 0747 GMT 6 Feb 93*

[Text] Sapporo, Feb. 6 KYODO—A semigovernment research center unveiled Saturday estimated deposits of natural gas and crude oil in the Russian Far East and eastern Siberia.

The Northern Regions Center in Sapporo, Hokkaido, said in an interim report that the volume combining both confirmed and estimated deposits in the region amounted to 17.8 billion tons of crude oil and 56 trillion cubic meters of natural gas.

The center said of the total, reserves of 4.1 trillion cubic meters of natural gas which account for 3 percent of the world's total deposits have been confirmed.

It said reserves of 1.47 billion tons, or 10.7 billion barrels, of crude oil have been confirmed.

In the Russian Far East, including Sakhalin Island, total deposits comprise 8.9 billion tons of oil and 24 trillion cubic meters of natural gas, the center said.

It said there are 8.8 billion tons of oil and 32 trillion cubic meters of natural gas to comprise resources in eastern Siberia.

The center, under supervision of the Foreign Ministry and the Hokkaido Prefectural Government, said the report was based on data released by the Russian Government and the Japan National Oil Corp.

## Dispatch of Personnel to Mozambique Urged

*OW0902131493 Tokyo KYODO in English 1258 GMT 9 Feb 93*

[Text] Tokyo, Feb. 9 KYODO—The Foreign Ministry is calling for the dispatch of a limited number of Japanese personnel to the United Nations-led peacekeeping mission in Mozambique, government sources indicated Tuesday.

The sources said that the government is seeking the dispatch of a small corps of communications and transportation personnel to Mozambique. Currently, engineering and medical personnel are participating in a U.N.-led peacekeeping mission in Cambodia.

On Tuesday, Parliamentary Vice Foreign Minister Koji Kakizawa, who recently visited Mozambique, said that conditions in the African nation meet the five conditions spelled out by Japan's Peace Cooperation Law in a meeting with Defense Agency officials.

The agency's Defense Policy Bureau Chief Shigeru Hatakeyama said he was looking forward to a decision soon from the government.

Prime Minister Kiichi Miyazawa, who was informed Tuesday evening of Kakizawa's request, said he had not heard Kakizawa's report, but added that he has no plans to send the Self-Defense Forces "here and there" on peacekeeping missions.

Asked by reporters if he would have to make a decision soon on the dispatch, Miyazawa replied that he did not think that was the case.

### Official on Participation in UN Operations

*OW0902101693 Tokyo KYODO in English 0957 GMT 9 Feb 93*

[Text] Tokyo, Feb. 9 KYODO—Japan should actively participate in United Nations peacekeeping operations outside Asia if it is to be considered worthy of permanent membership of the U.N. Security Council, a senior Foreign Ministry official said Tuesday.

The official, who spoke to reporters on condition of anonymity, was referring in particular to the ministry's aim to have the Self-Defense Forces (SDF) sent to Mozambique and possibly Somalia to join upcoming peacekeeping activities there.

Japan is serving a two-year term on the 15-member Security Council as a nonpermanent member. The five permanent members with veto power are the United States, Russia, China, Britain and France.

The official said the view held by some Japanese that the country should confine its peacekeeping contributions to Asia will not carry weight in the international arena.

He said Japan must be able to participate in U.N. peacekeeping in far-flung regions of the world and share the troubles and pains suffered by other participants if it is to be accepted into the "inner group" of the world body.

Japan is informally campaigning for a permanent Security Council seat within this century and has been successful in soliciting support from a steadily increasing number of countries.

African countries form one of the largest voting constituencies in the U.N. General Assembly.

### EC-Tokyo Auto Quota Meeting 'Inconclusive'

*OW0602050093 Tokyo KYODO in English 0255 GMT 6 Feb 93*

[Text] Brussels, Feb. 6 KYODO—Japan and the European Community (EC) have failed to agree on a quota for Japanese automobile exports to the EC market this year and remain divided on market-demand projections, Japanese Government officials said Friday [5 Feb].

In an inconclusive two-day meeting that ended Friday, Japan forecast that the EC automobile market would decline slightly from the previous year, reversing an earlier prediction that it would post a slight gain, the officials said.

But the EC predicted that demand would be weaker than its earlier projection of a 3-4 percent drop, citing downward revisions in the EC's economic forecast for this year, the officials said.

They said the two sides will meet again in early March in Tokyo.

The series of talks are being held to monitor levels and set quotas for exports of Japanese cars to the EC market under the 1991 automobile trade agreement.

In the latest meeting the two sides shared views that automobile demand will decline this year, even though they saw a gap in the decline, suggesting that the quota will be reduced from the previous year's 1,185,000 vehicles.

### Firm, European Microchip Maker Discuss Tie-Up

*OW0602050193 Tokyo KYODO in English 0111 GMT 6 Feb 93*

[Text] Tokyo, Feb. 6 KYODO—Mitsubishi Electric Corp. and Europe's No. 2 semiconductor maker, SGS-Thomson Micro Electronics, have begun discussing an operational tie-up, a major economic daily reported Saturday.

The two companies intend to reach a basic agreement by early March on the accord, primarily aimed at cooperation in development and production of "flash" memory devices.

Flash memory is an advanced device that can store data even without power, and is widely expected to replace magnetic disks as hard memory device.

If the two companies agree, the tie-up will be the first between Japanese and European concerns in the flash memory field, the daily said.

An increasing number of accords have been reached between Japanese and U.S. firms, including one between Toshiba Corp. and International Business Machines Corp. last year.

Mitsubishi hopes the tie-up will help expand its business in the European Community (EC), and will also lead to easing semiconductor-related friction between Japan and the EC by supporting SGS-Thomson's Japanese operations, the daily said.

## Mitsubishi Asked To Buy Plant in Britain

*OW0602050393 Tokyo KYODO in English 0311 GMT 6 Feb 93*

[Text] London, Feb. 5 KYODO—Financially troubled Dutch truck maker Daf NV has asked Mitsubishi Motors Corp. of Japan to buy out a plant in the town of Chorley in northern Britain, town officials said Friday.

The officials said Chorley authorities on Wednesday sent a letter from Daf to Mitsubishi Motors President Hirokazu Makamura asking the Japanese company to purchase the Chorley plant.

Some Japanese car makers already have operations in Britain but Mitsubishi has not done business in the country.

Daf operates six units in Britain, and most of the units are likely to be closed, the officials said.

The truck company has reportedly run up losses of more than 400 million dollars in the last three years and its debts are estimated at about 1.7 million dollars.

## Philippines' Romulo Asks More Financial Aid

*HK0802063693 Quezon City MALAYA in English 6 Feb 93 p 3*

[Report by Carlito Pablo]

[Text] Foreign Secretary Roberto Romulo yesterday asked Japanese Prime Minister Kiichi Miyazawa to increase Tokyo's level of assistance to the Philippines, particularly in grants in aid.

Romulo told Miyazawa that additional grants could help boost the country's program for sustainable economic development, noting that Japan has played a "pacesetter's role" in the provision of official development assistance.

Romulo, who arrived in Tokyo Tuesday, earlier made the same pitch with Foreign Minister Michio Watanabe when he said that grants more than loans are needed by Manila.

"We believe that we've reached the stage where our economic development needs this extra push, but after that we hope there would be a return of investment both from the side of the giver and from our side," Romulo said.

Miyazawa informed Romulo that the Japanese government will continue its basic policy of support to the Philippines as part of the economic cooperation being nurtured by both countries.

Romulo also expressed Manila's support for a proposal presented earlier by Miyazawa to other countries in Southeast Asia for a regional peace and security forum.

But Romulo added that he does not believe that Japan would play the role of "policeman" in the region and fill what is perceived as the power vacuum caused by the departure of American forces from the Philippines.

## Eda To Cooperate With SDPJ Shadow Cabinet

*OW0902082893 Tokyo KYODO in English 0736 GMT 9 Feb 93*

[Text] Tokyo, Feb. 9 KYODO—The head of a minor opposition party promised Tuesday he will consider to join the shadow cabinet of Japan's main opposition Social Democratic Party [of Japan] (SDP) [SDPJ], party sources said.

They said Satsuki Eda, leader of the United Social Democratic Party (USDP), made clear he is ready to cooperate with the SDP's shadow cabinet—scheduled to be reshaped soon—when he met SDP Chairman Sadao Yamahana at a Tokyo hotel.

The sources said that Eda, in response to Yamahana's call on him to join the shadow cabinet, reportedly noted a need to spread some portfolios to people from the private sector as well as politicians of other political parties.

The SDP's shadow cabinet consists of three top posts—prime minister, deputy prime minister and chief cabinet secretary—and 12 other ministers and 25 vice ministers. It will be the third SDP shadow cabinet.

The No. 1 opposition party inaugurated the first such cabinet in September 1991 as part of its strategy to wrest power from the dominant Liberal Democratic Party (LDP). The LDP has been in power for most of the post-world war 11 years.

Eda and Yamahana also agreed to discuss the issue between their respective parties and reach a decision at the earliest possible date next week, the sources said.

Yamahana said he hoped that by strengthening their political ties the SDP and USDP can become a force to replace the LDP.

Eda said the joint parliamentary front established between the USDP and the SDP last fall is significant. He said he wants to cooperate further with the country's main opposition party.

He reportedly said the SDP's strategy could result in the party achieving its stated goal of forming "an emergency reform administration" for the prevention of political corruption.

Eda and Yamahana also agreed that their parties will work together for political and electoral system reform, the sources said.

SDP sources said that as a result of the talks with Eda, Yamahana now intends to call on academics and lawmakers of the Democratic Reform Party, a minor political group in the House of Councillors, to join his party's next shadow cabinet.

## Kajiyama Approves Ozawa Testimony on Scandal

*OW0602105993 Tokyo KYODO in English 1020 GMT 6 Feb 93*

[Text] Tokyo, Feb. 6 KYODO—Seiroku Kajiyama, secretary general of the governing Liberal Democratic Party, said Saturday he will comply with opposition demands for senior politician Ichiro Ozawa to give Diet testimony about a money-and-mobster scandal.

He made the remark in a videotaped private television network program.

Ozawa, a former LDP secretary general, has said he is ready to testify in the Diet about his alleged role in the Tokyo Sagawa Kyubin scandal.

His mentor, former LDP Vice President Shin Kanemaru, quit politics last October after he was fined 200,000 yen for accepting 500 million yen in unlawful political contributions from the parcel delivery firm.

Ozawa reportedly accompanied Kanemaru and former Prime Minister Noboru Takeshita to a meeting with Hiroyasu Watanabe, former president of Tokyo Sagawa Kyubin, shortly before the LDP presidential election in 1987. Ozawa and Kanemaru had belonged to the LDP's Takeshita faction at the time.

Watanabe, in response to a request from Kanemaru, asked the late Susumu Ishii, leader of Japan's No. 3 Yakuza group Inagawa-kai, to halt an anti-Takeshita smear campaign by a small right-wing group, according to prosecution sources.

Ozawa has denied any knowledge of the content of the meeting among Takeshita, Kanemaru, and Watanabe, saying he ran errands for them such as carrying ashtrays.

Takeshita testified about his role in the scandal as a sworn witness late last year.

## LDP Refuses To Name Witnesses in Diet Probe

*OW0802164993 Tokyo KYODO in English 1448 GMT 8 Feb 93*

[Text] Tokyo, Feb. 8 KYODO—The Diet remained at a standstill Monday as the ruling Liberal Democratic Party [LDP] continued to refuse to specify who it will allow to testify over the Tokyo Sagawa Kyubin Scandal, Diet sources said. Opposition parties remained firm in their demand that former Prime Minister Noboru Takeshita, former LDP powerbroker Shin Kanemaru, his aide Masahisa Haibara, former LDP Secretary General Ichiro Ozawa, Sagawa Kyubin President Kiyoshi Sagawa and Fukushima Kotsu Co. President Rekiji Kobari be summoned to testify in the Diet.

In the Tokyo Sagawa Kyubin scandal, the express parcel-delivery company reportedly distributed billions of yen to politicians to curry favor for its business activities.

The LDP said it would vow to summon "more than one sworn or unsworn witness" before the House of Representatives Budget Committee, according to the sources. The ruling party made the compromise in exchange for opposition consent to reopen deliberations in the lower house Budget Committee, the sources said. The LDP has been urging the opposition to cooperate in deliberations on the fiscal 1993 state budget, which the party hopes will get through the Diet by late March.

Earlier in the day, opposition parties issued a joint statement saying they cannot accept the LDP's attempt to quash their efforts to unravel political corruption by using the issue of budget deliberations as a form of blackmail. Senior LDP members said the party cannot specify names among the six proposed witnesses as it is currently discussing who to specify as sworn or unsworn witnesses to testify in the Diet. The LDP pledged last week to come up with a list of witnesses it would allow to testify by an agreed-upon deadline of February 9.

In a related development Monday, Ozawa conveyed to party leaders his readiness to appear at the Diet committee to testify as a sworn witness over the scandal, the sources said.

## Call of Takeshita as Unsworn Witness Suggested

*OW0902111893 Tokyo KYODO in English 0939 GMT 9 Feb 93*

[Text] Tokyo, Feb. 9 KYODO—Liberal Democratic Party (LDP) Secretary General Seiroku Kajiyama hinted Tuesday the ruling party may agree to an opposition demand to call former Prime Minister Noboru Takeshita to the Diet to testify on a money-and-mobster scandal.

Kajiyama made the remarks in a meeting at a Tokyo hotel in reference to opposition demands that Takeshita be summoned to the House of Representatives budget committee to testify on his reported role in the Tokyo Sagawa Kyubin scandal.

"A parliamentarian wearing a badge (pointing to his status as a legislator) should testify even if the opposition demand is unreasonable, in order to push the budget bill through the Diet and (allow the government) to initiate measures to stimulate the economy," he said.

Diet deliberations over the budget have been stalled over the opposition's demand that Takeshita be summoned to testify on allegations that he sought the influence of a crime boss, now deceased, in 1987 in alleviating obstacles to his bid to garner the premiership.

Political analysts say Kajiyama is endowed with the authority to decide whom to call before the Diet. The opposition has demanded that six persons be summoned for Diet testimony on the Sagawa Kyubin scandal.

Kajiyama said he would "comply with the opposition demand (to call Takeshita) in order to bolster the sagging economy." He called the compliance a "sacrifice."

He urged the opposition, however, to accept his condition that Takeshita be called as an unsworn witness—legal status that would not incur a penalty of imprisonment if his testimony was later proven false.

The law stipulates that legislators convicted of providing false testimony is punishable by up to 10 years in jail.

He questioned whether it was "appropriate for the Diet to call him as a sworn witness from the beginning."

Kajiyama ruled out any possibility that the LDP might accept the opposition demand for the summoning of four other witnesses—former LDP Vice President Shin Kanemaru, his Secretary Masahisa Haibara, Kiyoshi Sagawa, president of Sagawa Kyubin group and Rekiji Kobari, president of Fukushima Kotsu Co.

Opposition parties have demanded that the four men testify, as they were reportedly implicated in the scandal. Sagawa Kyubin, a trucking company, reportedly distributed billions of yen to politicians to curry their favor.

"I question the propriety of forcing people who are not legislators to accept having to provide testimony" even if such testimony will help resume budgetary debate in the Diet, he said.

### LDP Agrees to Demand To Summon Takeshita

*OW0902142793 Tokyo KYODO in English 1140 GMT 9 Feb 93*

[Text] Tokyo, Feb. 9 KYODO—Japan's ruling Liberal Democratic Party decided Tuesday to comply with the opposition's joint demand that former Prime Minister Noboru Takeshita be summoned to testify on his reported role in a money-and-gangster scandal.

The decision came several hours after LDP Secretary General Seiroku Kajiyama hinted at a lecture meeting in Tokyo that the ruling party would agree to the demand in a bid to break the current parliamentary stalemale.

The opposition parties, which have been holding up debate on the fiscal 1993 budget program, had threatened to continue the boycott unless the ruling party agreed to cooperate with their efforts to get to the heart of the Tokyo Sagawa Kyubin scandal.

"A parliamentarian wearing a badge (pointing to his status as a legislator) should testify even if the opposition demand is unreasonable, in order to push the budget bill through the Diet and (allow the government) to initiate measures to stimulate the economy," Kajiyama told the lecture meeting.

Diet deliberations over the budget have been stalled over the opposition's demand that Takeshita be summoned to testify on allegations that he sought the influence of a crime boss, now deceased, in 1987 in alleviating obstacles to his bid to garner the premiership.

Political analysts say Kajiyama is endowed with the authority to decide whom to call before the Diet. The opposition has demanded that six persons be summoned for Diet testimony on the Sagawa Kyubin scandal.

Kajiyama said he would "comply with the opposition demand (to call Takeshita) in order to bolster the sagging economy." He called the compliance a "sacrifice."

He urged the opposition, however, to accept his condition that Takeshita be called as an unsworn witness—legal status that would not incur a penalty of imprisonment if his testimony was later proven false.

The law stipulates that legislators convicted of committing perjuries are punishable by up to 10 years in jail.

He questioned whether it was "appropriate for the Diet to call him as a sworn witness from the beginning."

Kajiyama ruled out any possibility that the LDP might accept the opposition demand for the summoning of four other witnesses—former LDP Vice President Shin Kanemaru, his secretary Masahisa Haibara, Kiyoshi Sagawa, President of Sagawa Kyubin group and Rekiji Kobari, president of Fukushima Kotsu Co.

Opposition parties have demanded that the four men testify, as they were reportedly implicated in the scandal. Sagawa Kyubin, a trucking company, reportedly distributed billions of yen to politicians to curry their favor.

"I question the propriety of forcing people who are not legislators to accept having to provide testimony" even if such testimony will help resume budgetary debate in the Diet, he said.

### Opposition Rejects LDP Proposal on Testimony

*OW0902052293 Tokyo KYODO in English 0449 GMT 9 Feb 93*

[Text] Tokyo, Feb. 9 KYODO—The ruling Liberal Democratic Party (LDP) formally agreed on Tuesday to call ex-LDP Secretary General Ichiro Ozawa to the Diet for sworn testimony on his alleged role in a money-and-mob scandal, Diet sources said.

The party proposed at a meeting of directors of the House of Representatives Budget Committee that Ozawa be summoned to the Diet as a sworn witness to give testimony on his alleged involvement in the Tokyo Sagawa Kyubin scandal.

The move is aimed at breaking an impasse which has stalled Diet business, and the LDP now hopes the legislature will start work on the fiscal 1993 budget next week, the sources said.

LDP officials also proposed that further talks be held on who else should testify in the Diet on the scandal while the Diet debates the budget for fiscal 1993, which starts on April 1.

The opposition camp criticized the LDP, however, for its failure to specifically respond to an opposition demand for five other figures to give Diet testimony on the Tokyo Sagawa affair and spurned the LDP proposal, the sources said. As a result, lower house panel deliberations are likely to remain stalled on Tuesday, they said.

Tomiichi Murayama, chairman of the Diet Affairs Committee of the No. 1 opposition Social Democratic Party (SDPJ), said his party cannot agree to resume the Diet session because the LDP proposal is unacceptable.

"(The LDP proposal) does not constitute an acceptable answer. With this reply, we cannot get into deliberations," he told a news conference in the Diet building.

Takenori Kanzaki, chairman of the Diet Affairs Committee of the No. 2 opposition Komeito, urged the LDP to specify multiple names—meaning possible sworn or unsworn witnesses in the Diet—if it wants the budget plan passed before the start of the next fiscal year.

The chairman of the Diet Affairs Committee of the Democratic Socialist Party also expressed displeasure with the LDP's proposal on Diet testimony in connection with the scandal.

"It's too insincere a reply. I want (the LDP) to tackle the issue more seriously," Atsushi Kanda told reporters.

Besides Ozawa, the opposition camp has demanded testimony from former Prime Minister Noboru Takeshita, ex-LDP kingpin Shin Kanemaru, Masahisa Haibara, former secretary of Kanemaru, Kiyoshi Sagawa, founder of the Sagawa Kyubin Co. trucking firm, and Rekiji Kobari, chairman of the Fukushima Kotsu Co. bus firm.

Ozawa accompanied Kanemaru—his mentor—and Takeshita to a meeting on October 5, 1987 with Hiroyasu Watanabe, former president of Tokyo Sagawa Kyubin Co. shortly before the LDP presidential race in 1987, according to prosecution sources.

Watanabe, in response to a request from Kanemaru, asked a gangland boss to end a right-wing group's smear campaign against Takeshita, which was threatening Takeshita's bid for the LDP presidency, the sources said.

Ozawa, dismissing allegations that he has some knowledge of the content of the meeting among Takeshita, Kanemaru and Watanabe, has said he is ready to testify in the Diet on the matter.

## Document Links Takeshita to Art Scandal

*OW0802173593 Tokyo KYODO in English 1338 GMT 8 Feb 93*

[Text] Tokyo, Feb. 8 KYODO—Former Prime Minister Noboru Takeshita is mentioned in a secret document as a potential recipient of 300 million yen in connection with a shady art deal made in 1985, informed sources said Monday.

The document sourced to a Tokyo art dealer shows that Heiwa Sogo Bank, a defunct mutual savings and loan bank, was to pay varying sums to Takeshita and three others in payments that are alleged to be related to the sale of an overpriced gold leaf-covered screen, the sources said.

Shigeru Isaka, then an auditor with the bank, said in a court statement last month he and three other bank executives paid Toshinari Manabe, president of Yaesu Art Gallery, 4 billion yen for the screen in August and September 1985—eight times its market value. But Isaka, who is on trial on a charge of commercial breach of trust, said the money was actually intended to help buy back shares in the bank from Shigeru Sato, president of Kawasaki Teitoku, a property management company for a Kawasaki business conglomerate which has since been dismantled.

Due to a feud with the bank's management that began in March 1985, Heiwa Sogo's founding family had transferred 21,630,000 shares, or 33.5 percent, to Sato, the informed sources said. Isaka said in June 1985 he asked Ihei Aoki, Takeshita's secretary, for support from Takeshita, then finance minister, in obtaining the shares. Aoki committed suicide in April 1989 in the wake of the Recruit stock-for-favors scandal.

The art dealer Manabe's document shows that in addition to paying Takeshita, the bank was to pay 1.5 billion yen to Sato, 100 million yen to Isaka and 100 million yen to one other person, the sources said. A former employee of Heiwa Sogo, speaking on condition of anonymity, has backed Isaka's statement by saying the 4 billion yen paid for the screen was part of a 12.5 billion yen fund earmarked to repurchase the bank shares. He also said he had heard Takeshita's secretary was to receive part of the 4 billion yen from Manabe.

For all their efforts, Isaka and the three executives never obtained the shares. Heiwa Sogo was absorbed into Sumitomo Bank in October 1986. A lawyer representing Sato denied his alleged receipt of the 1.5 billion yen from Manabe.

Takeshita, testifying before the Diet under oath last November, said he could not get to the heart of the affair despite making a thorough investigation.

Isaka, who said he did not receive 100 million yen from Manabe as written in the document, will likely testify about the scandal on February 16 during his trial, the sources said.

### Warning Issued on Fake Government Certificates

*OW0802165993 Tokyo KYODO in English 0754 GMT 8 Feb 93*

[Text] Tokyo, Feb. 8 KYODO—The Finance Ministry said Monday it has warned authorities in the United States about spurious Japanese Government certificates with a face value ranging from 10 billion to 500 billion yen believed to be circulating domestically and abroad.

The counterfeit certificates state that the Japanese finance minister will exchange an equivalent amount of Japanese Government bonds for the face value of the certificate, a ministry official said. He said inquiries about such documents have recently been increasing, with some coming from the U.S., sometimes apparently from the scene of an alleged crime.

Of 71 inquiries made to the ministry so far in the current fiscal year, 29 were from overseas. Seventeen were from the U.S. and there were two each from Britain, Thailand, and the Philippines. Inquiries were also made from Singapore, South Korea, Germany, Italy, Finland, and Switzerland, the official said.

There were 63 inquiries last fiscal year, with 19 from abroad, 22 in fiscal 1990 with four from overseas, and in fiscal 1989, there were 18 with two from abroad.

According to the official, a suspect was arrested in Los Angeles in January 1991 by the Federal Bureau of Investigation (FBI) when the person tried to sell a 50 billion yen phony certificate at 30 percent of its face value.

The official said most of the circulating fake certificates seem to be ones that went missing after a Japanese suspect was arrested by Japanese police in 1984.

In some cases, suspects told people they were trying to swindle that the certificates were guaranteed by secret government funds and the Finance Ministry would reimburse the funds upon maturity. The would-be swindlers also told a tale of needing advances of money to maneuver government and ruling Liberal Democratic Party officials, the official said. In other cases, suspects just asked for loans with the certificates as collateral, he said. A couple of such swindles have been reported in Japan, with one amounting to 150 million yen, the official said.

The ministry said the warning will be distributed to the U.S. Justice and State Departments, the FBI, and the Securities and Exchange Commission through diplomatic channels. In 1988, a similar warning was issued by Japanese police and distributed to overseas police authorities through the International Criminal Police Organization (Interpol).

"Please note that the Ministry of Finance has never issued such a certificate and that it could never exist legally," the warning says.

### Banks Urged To Ease Lending Conditions

*OW0802141693 Tokyo KYODO in English 1344 GMT 8 Feb 93*

[Text] Tokyo, Feb. 8 KYODO—The Finance Ministry on Monday urged financial institutions to ease their lending conditions to smaller corporations, including cutting interest rates, in line with last Thursday's reduction of the official discount rate.

The urging was made in a written notice in the name of the ministry's Banking Bureau Chief Nobuyuki Teramura.

Finance Minister Yoshiro Hayashi, speaking at a press conference, asked all financial institutions to seek to provide smaller businesses with necessary funds for their operations.

Hayashi expressed concern over the criticism that financial institutions are reluctant to supply fresh loans because they are still too cautious after excessive lending during the days of the bubble economy in the late 1980s, and are thus possibly hindering economic activities.

Another source of worry, he said, stems from the fact that banks have become reticent to lend in the face of the Bank for International Settlements (BIS) regulations on the ratio of their capital to risk-weighted assets.

The BIS, based in Basel, Switzerland, requires Japanese banks to accomplish a ratio of over 8 percent by the end of March, and there is a possibility that institutions that fail to accomplish the goal may face restricted overseas business.

Hayashi, although mentioning that most domestic institutions are expected to meet BIS standards, pointed out the need for them to attain the adequate capital without relying on latent profits on stockholdings.

In addition to net worth, banks' internal reserves, latent profits on stockholdings, subordinated loans and funds raised through issuance of perpetual subordinated debts are regarded as capital.

The finance minister said, "It is extremely important for financial institutions to secure lending capabilities enough to meet funds demand while writing off bad assets over a long period of time."

Bad assets were created by the bursting of the speculative bubble and deflation of assets.

In order to secure such capaibilities, financial institutions need to diversify their means of raising funds, such as the floating of yen-denominated perpetual subordinated debts and preferred stock.

Up until now, preferred shares, which have a prior asset claim over common stock, have not been issued by Japanese financial institutions.

Hayashi also suggested that financial institutions utilize measures to cut down the denominator—the risk-weighted assets under the BIS formula—by selling their ordinary loans through trust instruments.

According to the ministry, the BIS ratio among banks stood at 8.7 percent at the end of last September.

Meanwhile, the overall balance of lending by domestic banks at the end of November stood at 499.92 trillion yen, growing only 1.8 percent from the year before, compared with the recent peak of 454.48 trillion yen at the end of March 1990, when the figure jumped 11.8 percent from the year before.

The balance of loans to smaller businesses inched up 1.2 percent to 292.91 trillion yen at the end of November, compared with a 33.3 percent gain to 272.24 trillion yen in such balance recorded at the end of March 1990.

The official discount rate has come down by 3.5 percentage points from a peak of 6.0 percent that lasted until June 1990. Overall average lending rates, however, have come down by a smaller 3.037 percentage points, ministry figures showed.

Tsuneo Wakai, chairman of the Federation of Bankers Associations of Japan, said the Federation will seek to have member banks make greater efforts to ease the conditions for lending to medium and small enterprises.

Wakai, who is president of Mitsubishi Bank, welcomed the Finance Ministry's appeal to commercial banks to boost their capital adequacy levels through issuance of preferred shares and yen-denominated perpetual subordinated bonds in a bid to meet the standards set by the BIS.

Wakai urged the ministry to study legal procedures "as soon as possible" to pave the way for banks to issue such shares.

## Business Leaders Discuss Cooled Economy

*OW0902142893 Tokyo KYODO in English 1236 GMT 9 Feb 93*

[Text] Kyoto, Feb. 9 KYODO—Some of the big business names in the western Japan Kansai area kicked off an annual seminar Tuesday with heated discussion on the prolonged economic slump.

Yasuo Tomomatsu, managing director of Suntory Ltd., in a session about Japanese corporate management, said, "I believe a factor which caused the current economic slump is that we (industrial people) overproduced goods unsuitable for consumer needs."

Continuing the vein of self-criticism, he said Japanese industries should help themselves by reviewing their mass production strategy.

In another session, Akio Tanii, president of Matsushita Electric Industrial Co., fielded numerous questions from rivals trying to learn from Matsushita's success in production in Southeast Asia.

"Local production should be in a way which it also contributes to economic development of the area," Tanii said in a lecture about the role of corporations in cultivating more cooperation with Southeast Asia and China.

Yasukichi Yasuba, a professor at Osaka University, also drew attention by saying Japan cannot provide jobs to the country's 1.6 million unemployed if the economy grows at an annual 3 to 4 percent as planned.

"Only an economic growth of 10 to 12 percent a year—the rate in the rapidly growing newly industrializing economies—can eliminate unemployment," he said.

Another session was dominated by criticism of the government's five-year economic plan adopted last year with an emphasis on improving the quality of life in Japan.

Yoshikazu Endo, vice president of Daiwa Bank, called the plan simplistic thinking. He said Japan should aim at sustainable economic growth rather than simply shifting gears to achieve social change.

Delegates to the 31st annual Kansai business seminar will continue their discussions in six separate groups on Wednesday.

Fred Bergsten, director of the U.S. Institute for International Economics, was the main guest speaker.

## Agency To Investigate Agricultural Chemicals

*OW0602105893 Tokyo KYODO in English 1030 GMT 6 Feb 93*

[Text] Tokyo, Feb. 6 KYODO—The Environment Agency will start an investigation from fiscal 1993 to set guidelines for the use of agricultural chemicals to lessen their harmful effects on wildlife, agency officials said Saturday.

Starting from April on a six-ygar schedule, the agency will analyze the effects of the use of insecticides and weed killers on wildlife, including algae, terrestrial plants, insects, shellfish, amphibians, and birds, the officials said.

The agency will then form classification standards about the effects of the chemicals by categorizing them according to toxicity, they said.

Based on the standards, it will establish the guidelines regulating the timing and location in using agricultural chemicals according to each category, keeping in mind the reproductive powers of species, the officials said.

They said 7.9 million yen will be earmarked for the fiscal 1993 budget and a panel of specialists will be set up to begin the investigation.

Present regulations on agricultural chemicals center on the harmful effects on human health and lack consideration for ecosystems, the officials said.

Recent studies have found that the variety of species decreases in areas where insecticides are sprayed, and photosynthesis of algae is impeded because of weed killers that have seeped into rivers from rice paddies.

In addition, mass usage of agricultural chemicals reportedly decreases the number of small animals such as dragonflies and frogs.

Agricultural chemicals are said to be driving storks and the Japanese crested Ibis to extinction by decreasing their feed and accumulating inside their bodies, resulting in decreased reproduction.

## North Korea

### Daily Says U.S. Must End 'Policy of Strength'

*SK0702084693 Pyongyang KCNA in English 0816 GMT 7 Feb 93*

["United States Must Rectify Korea Policy"—KCNA headline]

[Text] Pyongyang, February 7 (KCNA)—If the United States wants to see a solution of the Korean question under the situation where the antagonistic relations between the East and the West have collapsed and the "balance of forces" has been broken, it must cease its wrong stance and attitude of the past period and renounce its policy of strength, says MINJU CHOSON in an article Saturday.

In the past the United States described the presence of its troops in South Korea as intended to maintain "balance of forces" in Northeast Asia. But the "usefulness" of the U.S. forces' presence in South Korea could not go down with anyone under the changed situation in which a superpower which had been the target of confrontation ceased to exist with the breakup of the Soviet Union, the article says, and continues:

The United States, however, is still persisting in its old policy of the cold war era, far from renouncing its policy of occupation of South Korea in compliance with the demand of the changed situation. This is a dangerous act of beclouding the situation of our country which has been developing favorably after the adoption and effectuation of the historical agreement between the North and the South.

If the United States truly welcomes the adoption and effectuation of the agreed documents between the North and the South, it must rectify its policy toward Korea in conformity with the spirit of the documents.

Only when it takes the stand to settle the Korean issue fairly in accordance with the demand of the times and the principle of international justice, can it discharge its responsibility and duty for the Korean question.

If the United States rectifies its Korea policy and opts to do anything helpful to the reunification of Korea, it would enjoy welcome of the Korean people and the progressive people of the world and open a new phase in improving DPRK-U.S. relations.

### Team Spirit, U.S. 'Asian Strategy' Linked

*SK0602125393 Pyongyang KCNA in English 1118 GMT 6 Feb 93*

["U.S. Asian Strategy and 'Team Spirit'"—KCNA headline]

[Text] Pyongyang, February 6 (KCNA)—The "Team Spirit" military exercise which the United States has annually staged with South Korea from 1976 is an immediate offspring of its Asian strategy, says NODONG SINMUN today in a by-lined article.

The article notes:

The main goal of the U.S. Asian strategy is to keep hold on South Korea, a strategic vantage, attack and stifle the socialist countries and the anti-imperialist, independent forces in the Asian region with the U.S.-Japan-South Korea triangular military system as the axis and establish its sphere of domination there.

The "Team Spirit" is a nuclear war training designed to obtain this main goal of the U.S. Asian strategy.

It is because of the importance of the U.S. Korea strategy in the execution of its Asian strategy that the manoeuvres have been staged with the Korean peninsula as the theatre.

To make a breakthrough in the execution of the Asian strategy by directing the sharp edge of its attack to Korea which is linked with the Asian Continent and situated in a favorable position from the geographical point of view, invading our country, the fortress of socialism, and conquering the whole of Korea—this is the invariable aggressive attempt of the United States.

It is a main goal of the United States to complete the system of war of aggression in Asia through the military exercises.

Japan's participation in the "Team Spirit" in different ways bring into bolder relief the dangerous nature of the manoeuvres.

If the "Team Spirit" turns into a real war, it would immediately cause chain reactions in different parts of Asia and easily lead to an Asian-wide nuclear war.

The "Team Spirit" must be checked on all accounts for peace in Asia and the rest of the world.

## U.S.-ROK Joint Military Exercises Reported

### Planes 'Massed' in South 7 Feb

*SK0902045793 Pyongyang KCNA in English 0420 GMT 9 Feb 93*

[Text] Pyongyang, February 9 (KCNA)—The U.S. imperialist aggressors on February 7 deployed again some 20 overseas-based F-15 fighter bombers and FA-18 pursuit-assault planes in the Kunsan and Osan Airforce Bases of South Korea, while the aggression forces and lethal equipment are being massed in South Korea to participate in the adventurous "Team Spirit 93" joint military exercises, according to military sources.

Earlier, on the 6th, the U.S. imperialists and the South Korean puppets committed a joint air war exercise for a preemptive strike on the northern half of Korea in the skies above the areas of Kangnung, Pyongchang, Yoju and Sosan.

Involved in this war game, part of the "Team Spirit 93", were dozens of different types of fighter planes which took off bases of Japan and the Pacific and fighter bombers, assault planes, observation planes and armed helicopters belonging to the U.S. Airforce present in South Korea and the puppet airforce, more than 270 in all.

The South Korean puppets on February 7 staged an air war gamble against the North and committed a rifle and gun firing near the Demilitarized Zone along the Military Demarcation Line.

### 'Sources': 5 Feb Air Exercises Held

*SK0702084893 Pyongyang KCNA in English 0810 GMT 7 Feb 93*

[Text] Pyongyang, February 7 (KCNA)—The U.S. imperialist aggressors and South Korean puppets staged a large-scale war exercise against the North in the skies above Yoju, Kunwi, Oeyon Islet and Yongwol of South Korea on February 5, according to military sources.

Formations of F-16 and F-15 fighter-bombers based in Japan staged an exercise of intensive strike at targets simulating the inland area of the northern half of Korea in coordination with warplanes of the U.S. Air Force present in South Korea and the puppet airforce in the skies above the operational zones.

On the same day, formations of assault planes and pursuit-assault planes which took off bases in Guam and Japan staged an air battle exercise and joint ground attack exercise together with flying groups of the U.S. Seventh Air Force and puppet air force in the skies above Tokjok Islet, Hoengsong and Samchok.

The exercise involving over 480 warplanes of various types was an extremely provocative war gamble which was held in advance of the full-dress "Team Spirit 93" joint military exercises.

In separate action, the South Korean puppets frantically committed a gunfiring in the areas adjacent to the demilitarized zone along the Military Demarcation Line on the same day.

### 4 Feb 'Air War Exercise' Reported

*SK0602064193 Pyongyang KCNA in English 0509 GMT 6 Feb 93*

[Text] Pyongyang, February 6 (KCNA)—The U.S. imperialist aggressors staged together with South Korean puppets a provocative joint air war exercise against the North in the skies above Yoju, Chungju and Yongwol on February 4, according to military sources.

The provocative war game involved some 30 fighter planes from overseas bases and about 300 warplanes of various types belonging to the U.S. air force occupying South Korea and the puppet air force. It was an extremely dangerous play with fire to raise the capacity of coordinated operation of fly corps of different types of planes and of bombing and air and ground joint strike on targets in inland area of the northern half of Korea.

In another action on the same day, ten large transport planes airlifted U.S. imperialist aggressor troops and combat equipment to be mobilized in the "Team Spirit 93" joint military manoeuvres to the U.S. bases in South Korea from the U.S. mainland and Pacific bases.

### Jan-Feb Military Exercises Outlined

*SK0802124293 Pyongyang KCNA in English 1019 GMT 8 Feb 93*

[Text] Pyongyang, February 8 (KCNA)—The United States and the South Korean ruling quarters are working to bring the tensions in Korea to the extreme pitch.

The U.S. imperialists and the South Korean authorities from January 4 to February 3 sent many fighters of various types including nuclear-capable planes to the skies above Muju, Kongju, Yoju and other parts of South Korea and staged a joint air operation exercise for surprise intensive strikes at strategic vantages of the northern half of Korea.

The U.S. imperialists have already brought 14 nuclear capable F-16 and F-15 fighter bombers from the U.S. mainland and formations of pursuit-assault planes and AV-8 VTOL [Vertical Take-off and Landing] assault planes from Japanese bases and deployed them at the Osan Airforce base in South Korea and transferred a "KC-135" tanker plane from Kadena Base in Okinawa, Japan, to the Kunsan Airforce base in South Korea.

And they have brought various types of transport planes loaded with large quantities of combat materials to the U.S. Air Force bases in South Korea.

They have decided to mobilize the carrier "Independence," which is capable of carrying divisional-size planes in the "Team Spirit 93" war exercises. The carrier-based planes are equipped with nuclear bombs and missiles.

The U.S. and the South Korean authorities are deceiving the Korean and other people with the "declaration on the withdrawal of tactical nuclear weapons and the "declaration on the absence of nuclear weapons". But there are still more than 1,000 nuclear weapons as well as nuclear bases in South Korea.

It is a brigandish logic for the U.S. imperialists and the South Korean authorities to justify the resumption of the criminal "Team Spirit", taking issue with the fictitious "nuclear problem" of the North.

It must be noted that they decided to stage the "Team Spirit" at a time when a new administration has emerged in the United States and a change of "regime" is taking place in South Korea.

This reveals that the United States has not been freed from the anarchronistic mode of thinking of the cold war era from the "position of strength" and the so-called "civilian government" is a military fascist group which little differs from that of the "sixth republic".

The U.S. and the South Korea ruling quarters should know that they can never frighten us with any "policy of strength" or military threats.

### Radio Sees 'No Reason' To Resume Team Spirit

*SK0602011093 Pyongyang Korean Central Broadcasting Network in Korean 0935 GMT 3 Feb 93*

[Unattributed talk: "There Is No Reason and Pretext To Resume the Team Spirit-93 Joint Military Exercise"]

[Text] As was reported, on 26 January, the South Korean authorities, despite the strong protest and denunciation at home and abroad, got the puppet defense ministry to officially announce that the Team Spirit-93 joint military exercise will be conducted.

According to the announcement, enormous U.S. forces and materiel, including a fleet of aircraft carriers and Patriot missiles, will be mobilized for the Team Spirit-93 joint military exercise. Command post exercises, a map exercise using a computer system, and other exercises to invade the North are main contents of the Team Spirit-93 joint military exercise.

Under the pretext of our nuclear issue that cannot be a problem whatsoever, the U.S. imperialists and the South Korean authorities announced that the Team Spirit-93 joint military exercise will be conducted. This is an activity against dialogue, peace, and reunification that aggravates North-South relations, which are entering the road to reconciliation, and leads the situation on the Korean peninsula into a new confrontation phase. Thus, this is the crime that can never be tolerated.

The great leader Comrade Kim Il-song has taught: Whenever we put forward new proposals for peace and reunification, the South Korean authorities responded to our proposals with the line of confrontation and war under the manipulation of the United States.

There is no reason and pretext for the U.S. imperialists and the South Korean ruling quarters to resume conducting the Team Spirit-93 joint military exercise. As has been known, the Team Spirit joint military exercise is a nuclear war exercise to occupy our Republic suddenly by making a preemptive strike on it. Whenever the Team Spirit exercises were conducted, an acute confrontation prevailed and the danger of a war always hovered on the Korean peninsula. This caused the entire Korean people's apprehensions and gravely threatened the existence of the nation.

Our Republic, which is entirely responsible for the fate of the fellow countrymen and values peace more than anyone else, has made sustained and positive efforts to dissipate the grave situation prevailing on the Korean peninsula and to create a peaceful circumstance for national reunification.

Thanks to our sustained and positive efforts, the North-South agreement and the joint declaration on denuclearization were adopted and validated. To implement them, annexed agreements were adopted and joint committees were formed. Indeed, this means that the North and the South solemnly promised before the nation and history to forget the past of confrontation and to take the road to peaceful reunification which the entire fellow countrymen desire.

In particular, as long as the North and the South confirmed reconciliation and nonaggression, the issue of someone's danger does not exist any more. A guarantee for preventing one side from invading and making an armed attack on other side and a guarantee for removing military confrontation were secured.

Such being the case, it goes without saying that there is no need to resume the Team Spirit joint military exercise. Before the North-South agreement and the joint declaration on denuclearization were adopted, the United States and the South Korean authorities had decided to discontinue the Team Spirit joint military exercise. However, even today when the North and the South adopted the agreement and they are about to implement the agreement, conducting the Team Spirit joint military exercise once again is nonsense. This is also an unreasonable measure that cannot persuade anyone.

The rascals are advertising that the resumption of the Team Spirit joint military exercise is attributed to our nuclear issue. This is also groundless. We declared on more than one occasion that we have no will to make nuclear weapons and nor do we have the capability to make them.

The integrity of our nuclear policy has been clearly proven by the irregular inspections [pijonggi sachal] by the International Atomic Energy Agency several times. In addition, the world confirms the integrity of our nuclear policy.

The nuclear issue is related with the fact that the United States constructed nuclear bases in South Korea, that it brought in nuclear weapons into South Korea, and that it has constantly conducted nuclear war exercises of various kinds.

The nuclear issue comes and the danger of a nuclear war prevails on the Korean peninsula. This is entirely attributed to the U.S. imperialists' war policy.

Indeed, the U.S. imperialists have turned the South Korea into the nuclear arsenal, the largest in the Far East, which is filled with approximately 1,000 nuclear weapons. They have threatened our Republic with nuclear weapons.

The U.S. imperialists put forward our nonexistent nuclear issue while threatening our Republic this time with nuclear weapons. This is a challenge act that can be committed only by robbers. This is also like a thief calling another a thief.

The U.S. imperialists and the South Korean ruling quarters are trying to conduct the Team Spirit joint military exercise by using our nuclear issue as a pretext. Considering all intents and purposes, this is unreasonable. This just shows their warlike characteristics.

Judging from the international situation in which the cold war structure between the East and the West collapsed and from the situation in which the North and the South promised to achieve reunification through national reconciliation and unity, there is no reason and pretext for the U.S. imperialists and the South Korean ruling quarters to conduct the Team Spirit joint military exercise.

The U.S. imperialists and the South Korean puppets are trying to conduct the Team Spirit joint military exercise. This is aimed at maintaining the colonial fascist rule in South Korea and at preventing peace and reunification of the Korean peninsula.

The U.S. imperialists and the South Korean authorities should look squarely at the trends of the times and act with discretion. Our people will keep a sharp lookout for the rascals' every act.

## U.S., ROK 'Hampered' Nuclear Settlement

*SK0902055293 Pyongyang KCNA in English 0456 GMT 9 Feb 93*

["Who Balks Settlement of Nuclear Problem?"—KCNA headline]

[Text] Pyongyang, February 9 (KCNA)—The Joint Declaration on the Denuclearization of the Korean Peninsula has not been implemented though nearly one year has passed since the North and the South adopted and effectuated it. It is entirely owing to the South Korean authorities and the United States which manipulates them behind the scene. NODONG SINMUN today says this in a commentary.

The analyst notes:

The South Korean rulers allowed themselves to adopt and effectuate the joint declaration and form the Joint Nuclear Control Committee. But, after that, they persistently hampered the settlement of the nuclear problem. The United States ordered them not to promote the implementation of the joint declaration any more because if the declaration were carried into effect, the U.S. would not be able to use South Korea as a nuclear forward base, and the South Korean authorities obeyed it.

The South Korean authorities are now raising outcries over "suspicion of nuclear development by the North" in chorus with the United States, claiming that the nuclear threat comes from the North on the Korean peninsula.

The nuclear threat on the Korean peninsula has been created since the United States deployed nuclear weapons in South Korea and it comes from the South.

The South Korean authorities, sitting on a nuclear arsenal, are talking about "suspicion of nuclear development" against the North which does not have nuclear weapons. This is a brigandish act reminding us of a thief crying "stop thief!"

The responsibility for the delay of "nuclear inspection of the North and the South" rests with the South.

At each meeting of the joint nuclear control committee the South side desperately opposed the inclusion of the U.S. nuclear weapons and nuclear bases in the objects of inspection. The South side, in an effort to force its unreasonable demand, has insisted on "inspection of the same number of objects" and "inspection of ordinary military bases" which are quite beside the point.

The South Korean authorities at the beck and call of outside forces have laid obstacles in the way of the implementation of the joint declaration on denuclearization, breaking their promise with fellow countrymen and, worse still, decided to stage the "Team Spirit" nuclear war game. Such act of theirs cannot be tolerated.

They must promptly get out of the U.S. "nuclear umbrella" and destroy the "nuclear mushroom" cultivated by themselves. They must also take a proper stand of denuclearizing the country jointly with the fellow countrymen.

The United States must renounce the anachronistic policy of strength and do things conducive to the denuclearization of the Korean peninsula and its peace and reunification.

## South 'Must' End Nuclear Weapons Development

*SK0802124493 Pyongyang KCNA in English 1009 GMT 8 Feb 93*

[Text] Pyongyang, February 8 (KCNA)—The U.S. paper THE NEW YORK TIMES recently reported that the conclusion of a contract on the extraction of plutonium, a raw material of nuclear weapons, was being promoted between South Korea and Britain and an Australian nuclear expert said in his article contributed to the Japanese magazine SEKAI that South Korea had the capacity and intention to develop nuclear weapons by using plutonium.

This is not groundless.

Under the "nuclear umbrella" of the United States the South Korean authorities made it its policy to develop nuclear weapons toward the end of the 60s and laid foundations to manufacture nuclear weapons on an experimental basis at the end of the 70s.

Pak Kun-hye, daughter of Pak Chong-hui, said in those days that "the development of missiles has already been successful, the completion of a nuclear weapon is in sight and necessary materials have been successfully acquired."

The basic foundation for extracting plutonium, a main nuclear material of the nuclear bomb, and manufacturing nuclear bombs was laid in the 80s and open nuclear armament was stepped up entering the 90s.

Taedok, South Chungchong Province, South Korea, is one of the nuclear weapon development zones, where organs and facilities for the research and development of nuclear weapons are concentrated, such as the Atomic Energy Institute, the "Defence Science Institute", and the Nuclear Fuel Co, Ltd.

Noting that "industry, technology and facilities for nuclear development lying scattered will be mobilized and organized in a short time when there is an order", the South Korean magazine WOLGAN CHOSON said "the technology of nuclear fuel designing and atomic reactor designing will be applied to the designing and manufacture of atomic bombs".

The South Korean authorities are not only producing by themselves high enriched uranium and plutonium for nuclear bombs but also are smuggling them from third countries and they are possessed now of an amount enough to make three or five nuclear bombs of Hiroshima type.

The South Korean authorities must stop the development of nuclear weapons at once.

## South's 1992 Defense Expenditures Denounced

*SK0902055493 Pyongyang KCNA in English 0417 GMT 9 Feb 93*

[Text] Pyongyang, February 9 (KCNA)—The South Korean authorities last year squandered 8,410,000 million won, or 12.8 percent up on the previous year, in "defence spendings", according to a radio report from Seoul.

Facts show that the South Korean authorities have raced headlong along the road of arms race even after the agreement and joint declaration on denuclearization were adopted and effectuated between the North and the South.

## Action Against Chong Chu-yong in South Denounced

*SK0802064093 Pyongyang KCNA in English 0531 GMT 8 Feb 93*

["Crackdown on Opposition Party for One-party Show"—KCNA headline]

[Text] Pyongyang, February 8 (KCNA)—The South Korean authorities brought an action without detention against Chong Chu-yong, leader of the National Party [name of party as received; correct name is United People's Party], on charges of "violation of the election law." NODONG SINMUN today brands this as a premeditated political crackdown to threaten and disunite the National Party and dissolve it at the point of the bayonet in the long run.

Recalling that many cases of rigging by the "Democratic Liberal Party [DLP]" were exposed by the National Party during the last "presidential elections," the news analyst says:

If the South Korean rulers had taken an impartial position as they claimed, they should not have charged only the National Party with "violations of the election law", but have taken issue with the "DLP" which committed more cases of fraudulent "election campaign than it and dealt with them by "law."

Obviously, the "DLP" is retaliating on the National Party as it has become able to retain power as expected.

The "DLP" is zealously instigating the authorities to suppress the National Party and this is chiefly aimed at taking advantage of the trouble of the party after its defeat in the "elections," removing the party leader from political scene, dissolving the party itself and absorbing some of its lawmakers so as to secure an overwhelming majority of the National Assembly seats and stage a one-party show, a strong-arm politics.

The situation in South Korea shows that the "neutrality" signboard of the present "government" and "politics for national harmony" and "civilian government" advertised by the "DLP" are all lies and that the new "government" of the "DLP" will enforce a one-party politics much harsher than the "Fifth and Sixth Republic's."

## Kim Yong-sam's Reunification Intent Questioned

*SK0602061793 Pyongyang KCNA in English 0449 GMT 6 Feb 93*

["Balderdash Inciting North-South Confrontation"—KCNA headline]

[Text] Pyongyang, February 6 (KCNA)—Kim Yong-sam, when he met with the defence minister of Sweden on February 4, asked him to help make the North "abandon nuclear development," according to a radio report from Seoul.

He unhesitatingly told that the fictitious "nuclear development" [word indistinct] poses a "threat to peace" and it is a "snag" in the "substantial progress of relations between the North and the South."

His rigmarole, completely reversing black and white, eloquently reveals his flunkeyist stand to subsist by clinging to the coattails of outside forces as the successive rulers of South Korea did.

As far as the nuclear threat existing on the Korean peninsula is concerned, it was caused by the United States, which has deployed nuclear weapons in South Korea already from 35 years ago. And it has increased still further because the South Korean authorities have stepped up the development of nuclear weapons at the beck and call of the United States.

We have declared more than once that we have neither intention nor capacity to develop nuclear weapons and feel no need to do so. And the peaceful purpose of our nuclear policy has been verified through several rounds of ad hoc inspection by the International Atomic Energy Agency.

The very one that hampers the progress of relations between the North and the South is none other than the United States and its followers, the South Korean authorities.

Because the United States and the South Korean authorities decided to resume the "Team Spirit 93" joint military exercises, a nuclear war training, taking issue with the DPRK, the North-South relations which had been developing favourably went back to the original point of the confrontational period and all the channels of dialogue between the North and the South were blocked.

This notwithstanding, Kim Yong-sam let loose such outbursts to incite distrust and confrontation between the North and the South and freely addressed himself to such infamy as entreating foreigners for help, not knowing that it brings a disgrace to the nation, even before he took over [words indistinct]. This proves that Kim Yong-sam has no intention for reunification like his predecessors.

## DLP 'Suppression' of Opposition Denounced

*SK3101085993 Pyongyang KCNA in English 0825 GMT 31 Jan 93*

["'DLP' Group Seeks One-party Solo"—KCNA headline]

[Text] Pyongyang, January 31 (KCNA)—NODONG SINMUN today in a signed article condemns the South Korean "Democratic Liberal Party" [DLP] group's brutal suppression of the pro-reunification patriotic forces and the opposition forces.

The present ruling quarters and the "DLP" group are becoming more undisguised in their fascist suppression before the change of "power" in South Korea, the paper says, and goes on:

By launching the anti-DPRK campaign again with the "case of the Workers' Party of Korea in South Korea" from the beginning of the year, the South Korean ruling quarters and the "DLP" clan are trying to incite the spirit of North-South confrontation among the people and aggravate the North-South relations with the fictitious "threat from the North" and a deceptive row over "communisation strategy".

They are also attempting to keep "political stability" of the new "DLP government" by branding Chonminnyon [National Democratic Alliance of Korea], Chondaehyop [National Council of University Student Representatives] and other independent democratic organisations and some opposition forces in South Korea as "pro-communist organisations" and "pro-communist elements" and ruthlessly cracking down upon them.

A wholesale round-up is taking place in South Korea to suppress the forces of independence, democracy and reunification. Particularly noteworthy are the undisguised machinations to undermine and split the opposition forces and political suppression.

By intensifying suppression of the opposition parties the "DLP" and the present rulers are seeking a criminal purpose to attack the opposition personnel and break up opposition parties when they are in trouble after their failure in the "presidential elections", win over some of them and make the "DLP" a giant ruling party so as to establish a fascist strong arm rule of one-party solo without a hitch.

If "DLP" bosses have a real intention to enforce "civilian politics", they should abolish the most anti-democratic and anti-national "National Security Law" and other fascist laws and take measures for dissolving the notorious "Security Planning Board," "Security Affairs Command" and other repressive tools.

### Cilreco Adopts 1993 'Action Program' in Paris

*SK0602091293 Pyongyang KCNA in English 2250 GMT 5 Feb 93*

[Text] Pyongyang, February 5 (KCNA)—The 1993 action program of the International Liaison Committee for Reunification and Peace in Korea (Cilreco) was adopted at the enlarged meeting of its Executive Committee held in Paris on January 30.

The action program says the Cilreco will make every possible effort in 1993 to expand and develop the international solidarity movement supporting the cause of Korean reunification and peace and put stress on following issues:

—To force the United States and the South Korean authorities to stop for good the "Team Spirit" joint manoeuvres and all other provocative military exercises on the Korean peninsula.

—To make efforts to have all the U.S. nuclear weapons withdrawn from South Korea, realise an inspection of them and denuclearize the Korean peninsula.

—To call for the replacement of the Korean armistice agreement signed in 1953 with a peace agreement and the withdrawal of the U.S. Forces and all their military equipment from South Korea.

—To demand that the North-South agreement be respected and honestly implemented on the basic principle of national independence and make utmost efforts to help the Korean people achieve the independent and peaceful reunification through confederacy.

The action program notes that in order to put an end to such aggressive military exercises as "Team Spirit" on the Korean peninsula and denuclearize the peninsula, the danger of a nuclear war must be removed and an atmosphere favorable for peaceful reunification be created in Korea.

The action program says:

The Cilreco will launch a protest campaign for building up world public opinion urging the discontinuation of the "Team Spirit" and demand that all the aggressive military manoeuvres be stopped for good on the Korean peninsula.

With regard to the question of the denuclearization of the Korean peninsula, it will expose the truth behind the rumor about "nuclear threat from the North" spread by the United States and the South Korean authorities hand in glove with Japan and invigorate the international solidarity movement for turning the peninsula into a nuclear-free, peace zone.

It will also cooperate with the special commission of non-governmental organizations for disarmament in the United Nations and other international peace organizations, the United Nations, the International Atomic Energy Agency and other international organizations to make this movement evoke worldwide response.

The action program maintains that if a durable peace is to be ensured in Korea and the independent and peaceful reunification of Korea to be achieved, the 1953 Korean armistice agreement must be replaced with a peace agreement and the U.S. Forces and all their military equipment be withdrawn from South Korea.

The Cilreco decided to declare 1993 which marks the 40th anniversary of the victory in the Fatherland Liberation War as a "year of international solidarity for the withdrawal of the U.S. Forces and nuclear weapons from South Korea and the replacement of the Korean armistice agreement with a peace agreement".

It will organize various activities supporting the Korean people's cause in the June 25-July 27 period and call an "international conference for the withdrawal of the U.S. Forces and nuclear weapons from South Korea and the replacement of the Korean armistice agreement with a peace agreement" on July 27, 1993, the 40th anniversary of the victory of the Korean people in the war in which they defeated the U.S. imperialists who had boasted of their being "strongest" in the world.

The action program stresses that if a peaceful reunification of Korea by confederacy is to be achieved through a sincere implementation of the North-South agreement, the basic principle of national independence must be adhered to.

The Cilreco will enlist wide international solidarity supporting the struggle of all the Korean people in the North, South and overseas with a view to making the world people and international community fully discharge their responsibility and urge the South Korean authorities not to obstruct the implementation of the North-South agreement, following outside forces.

It will also activate the movement for solidarity with the South Korean people in their struggle for independence, democracy and reunification, set the period from May 16 to 22, 1993, as a "week of international solidarity supporting the South Korean people's struggle for independence, democracy and reunification" to mark the anniversary of the Kwangju popular uprising in May, 1980 and expose the suppression by the South Korean military fascist dictatorship.

It will encourage political parties and social organizations of various countries that support the Korean people's cause to unite strength and urge their governments to fully discharge their responsibility with a fair stand for the Korean question.

The action program calls on the Cilreco and the regional and national committees to increase their function and role for the strengthening of the international solidarity movement for Korea's reunification and peace.

It will strengthen relations with personages of political parties, social organizations and governments parliamentarians, peace champions and all other people of the world who are concerned with the Korean question to encourage them to take part broadly in the activities of national support committees and form new organizations of this kind.

It will also more actively cooperate with the United Nations, the International Atomic Energy Agency and international organizations concerned with the Korean question.

## KCNA Denounces Motion for Japan UNSC Seat

### Japan's 'Gendarme' Ambition Viewed

*SK3001114093 Pyongyang KCNA in English 1054 GMT 30 Jan 93*

["Wild Ambition To Become International Gendarme"—KCNA headline]

[Text] Pyongyang, January 30 (KCNA)—Japan's drive at her conversion into a military power and at overseas aggression run against the trend of the times and conflict with the desires of the people in Asia and the world, stresses NODONG SINMUN today.

In a signed article headlined "Wild Ambition To Become International Gendarme" the paper says:

Ranking officials of the Japanese Government and the ruling Liberal Democratic Party demand an early revision of the constitution of Japan that stipulates the renunciation of war, arguing that it is Japan's "obligation" to take part in all U.N. military activities for "world peace and security."

Lurking behind Japan's scheme to revise the constitution and be given a free hand in military action is a sinister aim to dispatch the "Self-Defence Forces" (SDF) to different hot spots of the world to play the role of the international gendarme and realize its dominationist ambition.

To this end, Japan is arming the "SDF" with uptodate combat equipment so as to expand the military role overseas.

The Japanese Government is stepping up the modernization of equipment with main stress on the increase of transport and attack capacities of the "SDF". It is introducing long-range transport planes, large transport ships and "Aegis" escort ships equipped with a sophisticated missile system capable of striking multiple air targets at a time. It is reported that Japan plans to build an aircraft carrier in the near future and is developing nuclear-powered submarines. Japan has decided to introduce this year AWACs aircraft with a flying range of over 9,000 kilometres and refuelling tankers. In the near future, the number of Japan's fighter planes will be larger than that of those deployed by the United States in the west Pacific region. The number of antisubmarine patrol planes of Japan is the second biggest in the world, after the United States.

Japan is abusing the United Nations in a bid to justify the extension of its military role under the cloak of "preservation of world peace." At present, Japan defines it as an important diplomatic objective to become a permanent member of the U.N. Security Council.

The Japanese authorities argue that it is natural for Japan shouldering a large share of the U.N. budget to become a permanent member of its Security Council.

Japan schemes to expand its military role in the international arena to suit its economic strength and fill the vacuum caused by weakening position of the superpower and realize its dominationist ambition.

Japan's ambition today is more wanton and dangerous than its old dream of "the greater east Asia coprosperity sphere."

It is a common task of the people in Asia and the world to check Japan's conversion into a military power and its overseas aggression.

### Permanent Seat Opposed

*SK3101084893 Pyongyang KCNA in English 0819 GMT 31 Jan 93*

["Whither Is Japan Heading?"—KCNA headline]

[Text] Pyongyang, January 31 (KCNA)—NODONG SINMUN today lays bare the ulterior intention of the Japanese authorities in seeking to get the status of a permanent member of the United Nations Security Council [UNSC].

Japanese Foreign Minister Watanabe now claims that Japan with its "tremendous national power" must make a military contribution to the maintenance of "international peace and security" and it would "legitimately become a permanent member of the U.N. Security Council," if it sent many military personnel to the "U.N. peace-keeping activities" and, to this end, the Japanese Constitution which stipulates the renunciation of war must be revised. The news analyst says: Is it true that the Japanese authorities are making a desperate bid for the post of a permanent member of the U.N. Security Council out of the desire to help toward the maintenance of "international peace and security"?

Japan regards international military contribution as an important condition for its being a permanent member of the Security Council. The Japanese ruling quarters are out to realise their cherished desire for the revision of the constitution by turning to advantage the rhetorical propaganda effect of the status of a permanent member of the Security Council sought by Japan.

Japan is crying for "peace," but its deeds contradict it.

It must, first of all, atone for the past crimes before demanding the status of a permanent member of the Security Council. It has not yet properly liquidated its past crimes in aggression, though nearly half a century has passed after the end of World War II.

The Japanese authorities refuse to admit the responsibility of Japan for the provocation of war and evade apology and compensation for the immeasurable misfortunes imposed by it upon the Asian people.

It is to pave the way for a war of aggression that Japan is going to amend the constitution banning an armed action as a means of resolving international disputes.

In claiming that Japan "should actively involve itself in the global affairs" to "suit its economic potential," it means to appear on the scene as a "worldwide leading nation," taking advantage of the weakened position of the superpowers, and expand its military and political influence and realise the dominationist ambition by mobilising its military power commensurate with an economic power. Herein lies the aim of Japan in seeking to become a permanent member of the U.N. Security Council.

If Japan really want to contribute to world peace, it must respect international justice and international morality and show its will of peace in action in response to the demand of the times heading for disarmament and detente.

### Warns Against 'Leadership Role'

*SK0702094493 Pyongyang KCNA in English 0845 GMT 7 Feb 93*

["Japan Advised Not To Act Obtrusively"—KCNA headline]

[Text] Pyongyang, February 7 (KCNA)—The Japanese authorities claim that Japan "can be a dignified permanent member of the U.N. Security Council" and "should have a greater say" and "should play a leading role" in international affairs.

NODONG SINMUN today brands their argument as ridiculous.

The news analyst says:

How can Japan obtrusively make outcries and style itself "a leader of the world," ignoring its position?

The argument that Japan "can be a permanent member of the U.N. Security Council" does not make any sense.

If any country is to become a permanent member, it must have an adequate qualification and enjoy trust from the international community. Japan is, however, lacking in such qualification. Japan is a war criminal which committed shocking crimes against history and humanity, for which Japan has not yet apologized to the world people adequately. Japan has not atoned for the wrong past and, worse still, tries to justify it as "legitimate."

This means Japan schemes to repeat the history of aggression and still dreams of dominating the world. It is self-evident that the world cannot trust Japan.

In diplomacy, Japan follows and ingratiates herself with a big country.

In every inch, Japan is not entitled to become a permanent member of the U.N. Security Council. Japan had better realise its position and give up the foolish dream of becoming a permanent member.

The Japanese authorities talk about "leadership role," as if international affairs would be upside down without Japan's role. This reminds one of a small fly acting as a big shot.

Japan must act with discretion, mindful of its position.

## Pakistan's Khan Notes DPRK Achievements

*SK0402105393 Pyongyang KCNA in English 1006 GMT 4 Feb 93*

[Text] Pyongyang, February 4 (KCNA)—Pakistani President Ghulam Ishaq Khan highly estimated the achievements of the Korean people in socialist construction when he met a delegation of the Supreme People's Assembly of the Democratic People's Republic of Korea on January 31. He said Korea was great and powerful because it had the great chuche philosophy founded by President Kim Il-song and the masses of the people were rallied on its basis.

Noting that the "Team Spirit" joint military exercises must not be resumed, he said Korea should be reunified peacefully without foreign interference.

## SPA Chairman Meets Pakistani Officials 31 Jan

*SK0702034193 Pyongyang Korean Central Broadcasting Network in Korean 1500 GMT 3 Feb 93*

[Text] Yang Hyong-sop, chairman of the Supreme People's Assembly [SPA] and head of its delegation, separately met Wassim Ahmad Sajjad, chairman of the Pakistani Senate, and Gohar Aybu Khan, speaker of the National Assembly, on 31 January. Talks were held in a friendly atmosphere. Suite members of the delegation and our country's ambassador to Pakistan were on hand.

Speaker of the National Assembly Gohar Aybu Khan arranged a banquet for the delegation on 31 January. Chairman of the Senate Wassim Ahmad Sajjad, the deputy speaker of the National Assembly, the defense minister, the parliamentary affairs minister, the youth affairs minister, and other functionaries concerned were on hand. The head of the delegation, its suite members, and our country's ambassador were invited to the banquet.

Speeches were made by the speaker of the National Assembly and the head of the delegation at the banquet. In his speech, the speaker of the National Assembly said that under the wise leadership of the great leader His Excellency President Kim Il-song, the Korean people regarded the chuche idea as their guideline and achieved great developments by manifesting the spirit of self-reliance. He pointed out strengthening friendly relations between the parliaments of the two countries and expressed support for our people's cause for national reunification.

Participants of the banquet respectfully prayed for the long life of the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il.

During its stay, the delegation visited various places including Rawalpindi and Lahore.

## Iranian President Receives SPA Delegation

*SK0702051793 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 6 Feb 93*

[Text] Iranian President 'Ali Akbar Hashemi-Rafsanjani received our country's Supreme People's Assembly [SPA] delegation led by its chairman, Yang Hyong-sop, on 4 February.

During the meeting, the head of the delegation conveyed the great leader Comrade Kim Il-song's and the dear leader Comrade Kim Chong-il's greetings to President 'Ali Akbar Hashemi-Rafsanjani. The president expressed deep gratitude and asked the head of the delegation to convey his enthusiastic and warm greetings to the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il.

He said that the friendly and cooperative relations between the two countries have developed ceaselessly, and that these relations will be all the more strengthened and developed based on independence. He said that the Iranian Government is showing deep interest in the situation on the Korean peninsula and Korea's reunification. He emphasized that he truly hopes that Korea's reunification can be realized as soon as possible.

The chief of the Iranian president's cabinet, other functionaries concerned, and our country's ambassador to Iran were on hand.

## 'Full Text' of Tax Law on Foreign Investments

*SK0602165493 Pyongyang KCNA in English 1612 GMT 6 Feb 93*

[Text] Pyongyang, February 6 (KCNA)—The law of the Democratic People's Republic of Korea on taxes on foreign-invested enterprises and foreigners was adopted by the decision of the Standing Committee of the DPRK Supreme People's Assembly No. 26, dated January 31, 1993.

The full text of the law reads:

### The Law of the Democratic People's Republic of Korea on Taxes on Foreign-invested Enterprises and Foreigners

### Chapter 1. General Provisions

Article 1. The law of the Democratic People's Republic of Korea on taxes on foreign-invested enterprises and foreigners is promulgated for the purpose of providing an equity in taxation on and accurate tax pyments by foreign-invested enterprises and foreigners.

Article 2. A foreign-invested enterprise or a foreign [as received] shall for tax purposes, be registered with the financial organization in the area of its location or his or her residence. Should a foreign-invested enterprise be established, merged, divided or dissolved the enterprise shall undergo procedures for its registration, change in status or winding up within 20 days of the date of the approval for the enterprise.

The foreign-invested enterprise shall include any contractual joint venture, equity joint venture or foreign-funded enterprise, which is a body corporate of the DPRK and any foreign enterprise which is not a body corporate of the DPRK.

Article 3. The accounting procedures for a foreign-invested enterprise shall be in accordance with the accounting rules and regulations of the DPRK for foreign investment enterprises.

Documents of financial accounting shall be kept for a period of five years. This period may be extended, if necessary.

Article 4. Taxes paid by a foreign-invested enterprise and a foreigner shall be calculated in the Korean won, and paid directly by the taxpayer or shall be deducted by an entity withholding incomes for its payment.

Article 5. The supervision and control on tax payments made by foreign-invested enterprises or foreigner shall be conducted by an competent financial agency.

Article 6. This law applies to any foreign-invested enterprise and foreigner doing business or earning income within the territory of the DPRK. This law is also applicable to any Koreans residing outside the territory of the DPRK who do business or earn incomes in the territory of the DPRK.

Article 7. If any tax-related agreement concluded between the government of the Democratic People's Republic of Korea and a foreign government contains tax provisions that differ from those of this law, a foreign-invested enterprise or a foreigner belonging to that country may pay taxes in accordance with that agreement.

### Chapter 2. Business Income Tax

Article 8. A foreign-invested enterprise shall pay the business income tax on its earnings derived from business activities in the territory of the DPRK as well as on other incomes earned in the DPRK, including interest, income from dividends, proceeds from the lease or sale of fixed assets, proceeds from the transfer of assets, royalties on industrial properties and knowhow and management fees. A foreign-invested enterprise shall also pay business income taxes on incomes earned through its branches, agencies or subsidiary companies operating outside the territory of the DPRK.

Article 9. Business income tax shall be calculated by applying the prescribed tax rate to the taxable income, which is earnings after the deduction of costs including materials, fuel and power, workforce, depreciation, goods purchased, overheads, premium for insurance and sales, and other expenses from gross income, for the period from January 1 to December 31 of each year.

Article 10. A foreign-invested enterprise shall file with the financial organization in its location tax returns together with financial statements within 15 days of the end of each quarter, and a statement of annual income tax payment and annual financial statements within 2 months of the end of each year.

Article 11. An estimated amount of enterprise income tax shall be paid for each quarter and the full amount shall be settled at the end of each year.

The estimated payment shall be made within 15 days of the end of each quarter and final annual settlement within 3 months of the end of each year through a refund in the case of overpayment or additional payment in the case of a shortfall.

In case of the dissolution of an enterprise, the enterprise concerned shall establish a bond for tax payment in favour of the financial organization in its area within 20 days of the date of the declaration of an official dissolution and pay the income tax within 15 days of the date on which liquidation is completed.

Should an enterprise merge or be divided, the enterprise shall consolidate the incomes of the enterprise as of the date of such effect and pay income tax to the appropriate financial organization within 20 days of the date of the declaration of the merger or division.

Article 12. The income tax rate for foreign-invested enterprises shall be 25 percent of taxable incomes in other parts of the country and 14 percent in the free economic and trade zone.

The business income tax rate in sectors encouraged by the state such as high technology, natural resource development and infrastructure construction, scientific research and technical development shall be 10 percent.

Article 13. Should a foreign enterprise earn other incomes such as income from dividends, interest, rent, royalties or other sources in the territory of the DPRK, such incomes shall be taxable at the rate of 20 percent in other parts of the country and 10 percent in the free economic and trade zone.

Article 14. Incomes tax on other incomes shall be reported and paid, within 15 days of such incomes being earned, to the financial organization in its area by the enterprise or by an entity withholding income.

Article 15. The enterprise income tax shall be reduced in the following cases:

1. When the government of other country or an international financial institute grants credit to the government of the republic or the state bank, or a foreign bank grants a loan under favourable terms and conditions to a bank or enterprise in the country, incomes from interest payments on such credit or loans shall be exempt from income tax.

2. An enterprise in a preferential sphere, and a foreign-invested in the production sectors in the free economic and trade zone may be entitled to full exemption from enterprise income tax for three years after the first profit-making year and to a tax reduction of up to 50 percent for the following two years, provided it is operated for a duration of at least 10 years. If it is withdrawn or dissolved before the end of 10 years, the amount of income tax that had been deducted shall be collected.

3. A foreign-invested enterprise in service sectors may be entitled to full exemption from enterprise income tax for 1 year after the first profit-making year and to a tax reduction of up to 50 percent for the following 2 years, provided it is operated for a period of at least 10 years.

4. A foreign-invested enterprise engaged in infrastructure development, such as improving the railways and roads, communications, airports, and ports, in the free economic and trade zone with a total investment of at least 60 million won may be granted full exemption from enterprise income tax for four year after the first profit-making year and a deduction of up to 50 percent for the following three years.

Article 16. Should a foreign investor reinvest profits from his or her business within the territory of the DPRK and operate his or her enterprise for more than five years, 50 percent of the income tax paid on the reinvested amount may be refunded, and the full amount of income tax paid on the amount reinvested in infrastructure development may be refunded. If the reinvested amount is withdrawn before the end of five years, the income tax refunded shall be repaid.

### Chapter 3. Individual Income Tax

Article 17. Any individual earning income within the territory of the DPRK shall pay personal income tax.

A foreign individual who stays or resides for more than 1 year within the territory of the DPRK shall pay personal income tax also on earnings from outside the territory of the DPRK.

Article 18. Incomes taxable as personal income taxes shall be:

1. Incomes from remuneration for work
2. Income from dividends
3. Earnings from industrial property, know-how and

copyright

4. Income from interest payments
5. Income from leases and other income from rent
6. Proceeds from the sale of assets
7. Income from donation
8. Income from private enterprise

Article 19. Personal income tax shall be charged at the following rates:

1. The income tax rate for the remuneration for work shall be as per Appendix 1 of this law, except where [work indistinct] income is less than 2,000 won, in which amount shall be exempt from individual income tax.

2. The income tax rate for income from dividends, earnings from industrial property, technical know-how and copyrights, income from interest payments and income from rent shall be 20 percent.

3. The income tax rate for income from donation shall be as stipulated in the Appendix 2 of this law.

4. The income tax rate for profits from the sale of assets and income from individual enterprise shall be 25 percent.

Article 20. The personal income tax on remuneration for work shall be calculated with progressive tax rate prescribed in appendix 1.

Article 21. Personal income tax on dividends, earnings from industrial property, know-how and copyrights, and income fom donation, proceeds from the sale of assets and income from individual enterprise shall be calculated by applying the prescribed rate to the amount of income.

Article 22. Personal income tax on interest shall be calculated by applying the prescribed rate against the interest earned from bank deposits.

Article 23. Personal income tax on incomes from leases of fixed assets shall [word indistinct] applying the prescribed rate to the amount of income after the deduction of percent as an [word indistinct] for depreciation.

Article 24. Personal income tax shall be paid as follows:

1. Personal income tax on income from remuneration for work, [words indistinct] deducted and paid to the financial organization in the area of residence by an entity withholding such income within 15 days of the end of each month.

No personal income tax shall be levied on interest from savings deposits in a domestic bank of the DPRK and deposits in [words indistinct] the free economic and trade zone.

2. Personal income tax on proceeds from the sale of [word indistinct] shall be reported and paid within 10 days of the end of each quarter, and personal [words indistinct] income from individual enterprise within 15 days of the end of each month, by the person receiving the income to the financial organization in [words indistinct].

3. [Words indistinct] tax on income from dividends, earnings from industrial property, know-how and copyrights and income from leases shall be deducted and paid by a [words indistinct], or shall be reported and paid by the person receiving the income to the appropriate financial organization within 10 days of the end of each quarter.

### Chapter 4. Property Tax

Article 25. A foreigner shall pay property tax on buildings [word indistinct] or aircraft owned by him or her in the territory of the DPRK.

Building [words indistinct] the payment of property tax for a period of 5 years.

Article 26. Foreigner shall register his or her property with the financial organization in the area of his or her residence, as follows:

1. The property shall be registered at an [words indistinct] its being possessed within the territory of the DPRK.

2. In the case of a change in the ownership or registered value of property, new registration shall be made within 20 days of the date of the change.

3. The value of the property shall be assessed as of January 1 of each year and registeed again by the end of each February.

4. When property is [word indistinct] notice [words indistinct] shall be given [word indistinct] days.

Article 27. The tax base for property tax shall be the value of the property registered with the financial organization in the area [word indistinct] owner's residence.

Article 28. [Words indistinct] tax rate shall be as prescribed in Appendix 3 of this law.

Article 29. Property shall [word indistinct] calculated by applying the prescribed [word indistinct] against the value registered with the financial organization in the area on the owner's residence. [Passage indistinct]

### Chapter 5. Inheritance Tax

Article 31. When property on the territory of the DPRK is inherited by a foreigner, he or she shall pay inheritance tax.

When any property outside the territory of the DPRK is inherited by a foreigner resident on the territory of the DPRK, he or she shall also pay inheritance tax.

Article 32. The tax base for inheritance tax shall be the remaining vatue of the property inherited, after all outstanding debts relating to it are settled.

Article 33. The value of the property inherited shall be assessed at the prices of the property at the time of inheritance.

Article 34. The rate of inheritance tax shall be as prescribed in Appendix 4 of this law.

Article 35. Inheritance tax shall be calculated by applying the appropriate rate to the tax base.

Article 36. An inheritor shall file and pay inheritance tax to the financial organization in the area of the inheritor's residence within 3 months of the date of inheritance.

Should the tax payable for inherited proherty be more than 50,000 won, the tax payment may be made in installments, on the agreement of the financial organization in the area of the inheritor's residence.

### Chapter 6. Turnover Tax

Article 37. A foreign-invested enterprise or foreigner engaged in the sale of goods and services shall pay turnover tax.

Article 38. The base for turnover tax shall be as follows:

1. Product sales revenues in production.
2. Goods sales revenues in commerical sectors.
3. Revenues from services in the service domain such as transportation, banking and tourism.

Article 39. The rate of turnover tax shall be as prescribed in Appendix 5 of this law.

Article 40. Turnover tax shall be calculated as follows:

1. The turnover tax in production sectors shall be calculated by applying the appropriate rate against the sales revenue for the products involved item by item.

2. Turnover tax in commercial sectors shall be calculated by applying the appropriate rate against sales revenue for the goods involved item by item.

3. Turnover tax in service sectors including transport, banking and tourism, shall be calculated by applying the appropriate rate against the service revenue.

Article 41. Turnover tax shall be paid as follows:

1. Turnover tax in production sectors shall be paid by the seller to the financial organization in the local area within 10 days of the end of each month.

2. Turnover tax in service sectors including commerce, transport, banking and tourism shall be paid by the entity concerned to the financial organization in the local area within 10 days of the end of each month.

Article 42. Turnover tax shall be exempted or reduced in the following cases:

1. Export goods shall be exempted from turnover tax. Export goods restricted by the state [word indistinct] export, subject to turnover tax shall be paid as prescribed separately.

2. The turnover tax rate in service sectors such as commerce, transport, banking and tourism in the free economic and trade zone shall be reduced by 50 percent.

### Chapter 7. Local Taxes

Article 43. A foreign-invested enterprise or a foreign resident shall pay local taxes to the financial organization in the area of operation or residence.

Local taxes shall include city management tax, registration and license tax and vehicle tax.

Article 44. A foreign-invested enterprise or a foreign resident shall pay city management tax for the maintenance and management of public facilities such as parks, roads and waste disposal.

Article 45. The tax base for city management tax shall be the total amount of wage and salary payments by an enterprise in the case of a foreign-invested enterprise, and shall be the monthly income of an individual in the case of a foreign resident.

Article 46. City management tax shall be calculated and paid as follows:

1. City management tax on a foreign-invested enterprise shall be calculated each month at the rate of [number indistinct] percent of the total amount of wage and salary payments by an enterprise and paid each month to the financial organization in the area of its operation within 10 days of the end of each month.

2. City management tax on a foreign resident shall be calculated each month at the rate of 1 percent of the monthly income and deducted and paid by an entity withholding such income or the foreign resident to the appropriate financial organization within 10 days of the end of each month.

Article 47. A foreign-invested enterprise and foreigner shall pay a registration and license tax for the registration of enterprises, royalties for mining or fishing and other items, and for deeds such as technical qualification and licences.

Article 48. The registration and licence tax shall be collected by a body registering or issuing licences at the prescribed amount for each item and paid to the financial organization in the area.

Article 49. A foreign-invested enterprise and a foreigner shall pay vehicle tax for the use of a vehicle.

Article 50. A foreign-invested enterprise or a foreigner shall register vehicles with the financial organization in its area of operation or residence within 30 days of gaining ownership of the vehicle.

Article 51. Vehicle tax shall be paid by the user of the vehicle before the end of February of each year to the financial organization in the area of operation or residence.

When a vehicle is not in use, the vehicle tax may not have to be paid for the duration of the period of non-use, provided that the fact the vehicle is not in use is reported to the financial organization in the [words indistinct].

Article 52. The amount of registration and licence tax and vehicle tax shall be as prescribed in Appendix 6 of this law.

## Chapter 8. Sanction and Petition

Article 53. Should a foreign-invested enterprise or a foreigner fail to pay taxes withun the specified time limit, the financial office shall levy a penlty of 0.3 percent per day on the overdue taxes, beginning the day after the specified [words indistinct] tax payment.

Article 54. The financial office shall demand fines from any foreign-invested enterprise, foreigner or withholding entity in the following cases:

1. Fines of up to 2,000 won for any failure to complete a tax procedure in time, or make an income tax payment and file returns and finacial accounting statements.

2. Fines of up to twice the due amount for underrated reduction or non-payment of taxes by an entity withholding taxes.

3. Fines of up to 4 times the due taxes for tax evasion.

Article 55. Any severe breach of this law is liable to criminal prosecution.

Article 56. Should a foreign-invested enterprise or foreigner have cause for complaint or grievance in connection with tax payment, he or she may file a petition or initiate a lawsuit within 30 days of the date on which he or she paid the tax. The petition shall be presented to the financial office immediately superior to the financial organization to which the tax involved has been paid, and a lawsuit shall be filed with the court in the area of operation or residence.

Article 57. The financial office which has received a petition shall [word indistinct] and settle the case within 30 days of the date of its receipt. In cases of a disagreement with the settlement by the financial office concerned, a lawsuit may be submitted to the court in the area of operation or residence within 10 days of the date of the settlement of the petition.

### Appendix 1.

Income Tax Rate on Remuneration for Work

| Amount of Monthly Income | Rate |
|---|---|
| 2,001-3,000 won | 4 per cent of amount over 2,000 won |
| 3,001-4,000 won | 40 won + 5 per cent of amount over 3,000 won |
| 4,001-5,000 won | 90 won + 6 per cent of amount over 4,000 won |
| 5,001-6,000 won | 150 won + 7 per cent of amount over 5,000 won |
| 6,001-7,000 won | 220 won + 8 per cent of amount over 6,000 won |
| 7,001-8,000 won | 300 won + 9 per cent of amount over 7,000 won |
| 8,001-9,000 won | 390 won + 10 per cent of amount over 8,000 won |
| 9,001-10,000 won | 490 won + 15 per cent of amount over 9,000 won |
| over 10,001 won | 640 won + 20 per cent of amount over 10,000 won |

### Appendix 2.

Tax Rate on Income From Gifts

| Value of Donation | Tax Rate |
|---|---|
| 10,001-20,000 won | 5 per cent |
| 20,001-40,000 won | 10 per cent |
| 40,001-80,000 won | 05 per cent |
| 80,001-200,000 won | 20 per cent |
| 200,001-400,000 won | 25 per cent |
| 400,001-800,000 won | 30 per cent |
| over 800,001 won | 35 per cent |

### Appendix 3.

Rate of Property Tax

| Item | [Word Indistinct] |
|---|---|
| buildings | 1 per cent of registered value |
| ships | 1.4 per cent of registered value |
| aircraft | 1.4 per cent of registered value |

**Appendix 4.**

Rate of Inheritance Tax

| Value of Inheritance | Tax Rate |
|---|---|
| 200,001-350,000 won | 6 per cent |
| 350,001-600,000 won | 8 per cent |
| 600,001-800,000 won | 10 per cent |
| 800,001-1,200,000 won | 12 per cent |
| 1,200,001-2,500,000 won | 14 per cent |
| 2,500,001-4,000,000 won | 16 per cent |
| 4,000,001-8,000,000 won | 18 per cent |
| 8,000,001-20,000,000 won | 20 per cent |
| 20,000,001-50,000,000 won | 25 per cent |
| over 50,000,001 won | 30 per cent |

**Appendix 5.**

Rate of Turnover Tax

| Sector | Rate |
|---|---|
| production sector | 1.5-20 per cent of sales revenue |
| | 21-60 per cent on restricted goods such as cigarettes and alcohol |
| commercial sector | 2 per cent of sales revenue |
| service sector | 2-4 per cent of service revenue |

**Appendix 6.**

Amount of Local Tax

| No. | Description | Tax Amount | Rate |
|---|---|---|---|
| 1. | Registration and licence tax | | |
| 1) | registraton of enterprise | | |
| | | establishment | 500-1,000 won per case |
| | | change in status | 40 won per case |
| | | cancellation | 40 won per case |
| 2) | registration of royalties for mining | | |
| | | new registration | 1,200 won per mining lmt |
| | | change | 10 won per mining lot |
| | | cancellation | 10 won per mining lot |
| 3) | registration royalties for fishing | | |
| | | new registration | 1,000 won per case |
| | | change | 10 won per case |
| | | cancellation | 10 won per case |
| 4) | technical licences and qualifications | | 20-1,000 won per case |
| 2. | Vehicle tax | | |
| | | car | 50 won ea |
| | | bus | |
| | | up to 12 seats | 90 won/ea |
| | | up to 13-30 seats | 100 won/ea |
| | | over 31 seats | 120 won/ea |
| | | truck | 20 won/tons of loading |
| | | special purpose car | 50 won/ea |
| | | motorcycle | 20 won/ea |

## New Laws on Foreign Enterprises Highlighted

*SK0602064793 Pyongyang KCNA in English 0520 GMT 6 Feb 93*

["Korea Adopts Laws on Foreign-Invested Enterprise and Foreigners' Tax, Free Economic and Trade Zone"—KCNA headline]

[Text] Pyongyang, February 6 (KCNA)—The law of the Democratic People's Republic of Korea on foreign-invested enterprise and foreigners' tax, the law of the Democratic People's Republic of Korea on foreign exchange control and the law of the Democratic People's Republic of Korea on free economic and trade zone were adopted according to the January 31, 1993 decisions of the standing committee of the Supreme People's Assembly of the DPRK.

The law on foreign-invested enterprise and foreigners' tax stipulates that its purpose is to ensure an equity in taxation on and accurate tax payments by the foreign-invested enterprises and foreigners.

This law is applied to the foreign-invested enterprises and foreigners doing business or earning income within the territory of the DPRK and Koreans residing outside the territory of the DPRK who do business or earn income on the territory of the DPRK.

The law consists of eight chapters—"general provisions", "business income tax", "individual income tax", "property tax", "inheritance tax", "turnover tax", "local taxes" and "sanction and petition" and 57 articles.

This law has six tables—"income tax rate on remuneration for work", "tax rate on income from donation", "rate of property tax", "rate of inheritance tax", "rate of turnover tax" and "amount of local tax".

The law on foreign exchange control stipulates that its purposes are to contribute to a steady development of the national economy by increasing the foreign exchange revenue and ensuring an effective use of foreign exchange and to expand the external economic relations of the country.

The law prescribes the principles of and procedures for conducting foreign exchange wage operations, issue and circulation of foreign exchange securities, and the import and export of foreign currencies in cash, securities and precious metals.

Composed of four chapters—"general provisions", "use of foreign exchange", "import and export of foreign exchange" and "sanctions"—the law includes 31 articles.

The law on the free economic and trade zone says that its purpose is to establish and effectively control and operate the free economic and trade zone and contribute to the expansion and promotion of the external economic cooperation and exchange.

The free economic and trade zone declared as an area of preferential trade and transit transportation, [words indistinct] of export goods, financing and services is under the sovereignty of the DPRK. The economic and trade activities in the free economic and trade zone shall be conducted in accordance with the system and order specially established by the state.

Preferential duties shall be applied in this zone.

The law consists of seven chapters—"general provisions", "powers and duties of the administration organs", "creation of conditions for economic activities", "customs duties", "currency and finance", "guarantees and privileges" and "settlement of disputes" and 43 articles.

### Paper Hails 'Politics of Benevolence'

*SK3001084893 Pyongyang Korean Central Broadcasting Network in Korean 0000 GMT 28 Jan 93*

[NODONG SINMUN 28 Jan Special Article: "Hurrah for Socialism Where Politics of Benevolence Is Being Carried Out"]

[Text] In our country, the party and the leader trust the people; the people trust the party and the leader [suryong]; and our country is staunchly advancing in a perfect harmony of the party and the people.

Our party is solving all the problems arising in carrying out revolution and construction with firm confidence in and love for the people, thus splendidly constructing the popular masses-centered socialism of our style. Our people's long-cherished, centuries-old aspirations are being brilliantly realized and a single-minded unity of the leader, the party, and the masses are being more firmly consolidated because politics of benevolence are carried out under the great party's leadership.

The popular masses' support for and confidence in our party are steadfast. All the people firmly believe through their daily experience that they can enjoy man's dignity and true life when relying on the tested leadership of the dear leader Comrade Kim Chong-il. They are also upholding the party and the leader with firm faith and will.

Our party's politics is the most superb politics of benevolence for our people. Living in the society of our style of socialism where such politics are carried out is the greatest happiness for our people. Comrade Kim Chong-il, member of the Political Bureau Standing Committee of the Workers Party of Korea [WPK] Central Committee and secretary, indicated:

The leader [suryong] regards the kindness, goodness, and virtue of our ancestors as the pride of the Korean nation and shaped the most excellent benevolent politics for our people.

Living in the people's true paradise ,where politics of benevolence is carried out, has been the working people's centuries-old long-cherished desire. We have a historical saying that the country should be ruled with benevolence. However, society has been by no means society ruled by benevolence and the ruler of exploiting society was not the personification of benevolence.

Carrying out politics of benevolence means regarding the people as the master of politics and administering the affairs of state with love for and trust in the people. Therefore, politics of benevolence cannot be carried out without eradicating exploitation and suppression of man by man.

Genuine politics of benevolence can be carried out only by the party and the leader who wholly assume responsibility for and lead the people's fate in the socialist society where the people are the country's master. The party of the working class in the socialist society is the ruling party, but the ruling party cannot carry out politics satisfying the popular masses' will when it considers the power omnipotent.

When one tries to rule the people with power, money, or material wealth, one cannot enlist the popular masses' support and confidence and cannot correctly lead the revolution and construction to give full play to their creative power.

Our glorious party is the great mother party which is wholly responsible for the people's fate and which carries out politics for the people. Whom is politics for? We can answer this question by clarifying the purpose and idea which politics pursues. The mission and purpose for struggle presented by our party are unthinkable apart from the popular masses' lofty aspiration. All the activities and struggle of our party are also unthinkable apart from the people's interest.

Our party's politics trusting and relying on the people is based on the chuche idea. The chuche idea elucidates the fundamental principles of revolution that the master of the revolution and construction is the popular masses and that the force which gives impetus to the revolution and construction is in the hands of the popular masses. The principle of revolution clarified by the chuche idea shows the way in which we are to regard the popular masses as the most valuable beings in the world, firmly trust them, and vigorously carry out the revolution and construction by rallying them behind the party and the leader.

Our party trusts the people and administers the affairs of state with love for the people because it makes the chuche idea the guideline for their activities. Our party's politics is politics of confidence in and love for the people.

The most valuable thing for the people who are implementing the revolution is trust. Trust derives from the heart, and love derives from loyalty. Money or punishment does not move people much, but trust and love can move people's hearts enough to create a new world. This is a valuable truth that the dear leader Comrade Kim Chong-il has elucidated.

Based on this truth, our party has solved all problems emerging in the course of the revolution and construction, considering the trust and love for the people to be its political doctrine.

Because the essence of politics is making policies and executing them, politics based on the love and trust in the people is expressed in setting up lines and policies mainly in accordance with the broad masses' intent and desire and in executing them by inspiring the masses' creativity.

Our party considers serving the people its loftiest duty and considers the people's aspiration and demand first in making any decision. It considers the people's happiness and interest before any other whenever it builds a plant.

The love and trust in our people is contained in all lines and policies, such as the general line on carrying out the three revolutions—technological, and cultural—by strengthening the people's political power and by enhancing its function and role, the policy on light industrial revolution and the policy on prioritizing farming, which our party advocates.

This is why our people completely entrust their destinies to our party and stoutly fight through water and fire at the party's calling.

Our party's trust and love is highly displayed in its caring for the people's social and political lives and their material and cultural lives, completely shouldering the responsibility for it.

Our party freed our people from exploitation and pressure and let them become true masters of the state and society. Also it endowed them with the most valuable political lives and lead them to adding luster to their political lives.

For our party, the party's work is to work with people and to care for people's political lives. Our party pays attention primarily to the issue of party members' and working people's political lives. It values the people's political lives as a mother values her child's life and is leading them to glorify their political lives to the end without incurring the slightest scar.

At the same time, our party shows deep interest in the people's material and cultural lives and struggles devotedly to guarantee more sufficient and civilized lives for them.

Because the party and the state take the most superior people-oriented policies to responsibly care for the people's material and cultural lives, our people receive all food, clothing, and housing benefits, including the supply of almost-free food, free education, and free medical treatment. They are enjoying happy lives devoid of knowledge of taxes.

Our party's trust and love for the people, its people-oriented policies, and its warm care and consideration for each family and each individual make the people highly display their absolute trust and boundless loyalty to the party.

The slogan, "What the Party Decides, We Do," which our party members and working people are upholding, reflects our people's great loyalty and is a valuable fruit of the party's politics based on trust and love.

Today, our party's trust and love for the people turns straight into strength and wisdom that creates miracles of the century and heroic feats in revolution and construction.

Our party's politics is also broad-minded politics that embrace all people in its bosom. Politics for the people must have large caliber. Politics of small caliber cannot embrace all the masses, and the masses are made to turn their faces away from politics.

Differing from bourgeois society's politics that exist for the small privileged classes, the working class party's politics make all people masters of politics. To do so, the working class party's politics needs an all-encompassing view.

Our party is a great revolutionary bosom and benevolent motherly bosom that embraces the broad masses of various circles and classes—such as the working class, farmers, and intellectuals—as components of the main forces of the revolution and that warmly leads them by the hand.

Whoever tries to implement the revolution, trusting in the party and the leader, can be embraced by the party and can have a fruitful life and happiness in our society. This is because our party's politics are open-minded.

Our party's great open-minded politics consider not only the basic masses but the masses with a complex family environment or with complicated social and political careers, as eternal companions of the revolution. It warmly leads them all by the hand.

This implies our party's lofty intent to strengthen the main forces of the revolution by indoctrinating and reforming as many people as possible and its intent to vigorously accelerate the chuche revolutionary cause.

The chuche-oriented view of the masses is embodied in our party's open-minded politics. Our party's firm position and view are to judge a person by ideology and behavior and to trust whoever contributes to the revolution, considering him or her a component of the main forces of the revolution regardless of his or her original social class.

Based on this position, at the stage of the socialist revolution our party led and reformed people in various classes and strata to be socialist working people. In today's struggle to model the entire society after the chuche idea, our party is also vigorously leading them along the single road of socialism, considering them as eternal, rather than temporary, companions of the revolution.

Thanks to our party's open-minded politics, all people—including the working class, farmers, and intellectuals—are firmly united as one around the party and the leader and are stoutly fighting in our country.

Our party's open-minded politics conform to the natural law governing the principle of socialist construction. Correct politics make it possible to strengthen the main forces of the revolution in every way and to hasten the chuche revolutionary cause.

Our socialism receives absolute support and trust from the popular masses and is constantly strengthened and developed because our party has established socialism on the most solid and broadest basis of social class basis, firmly uniting the broad masses of various classes and strata around the party and the leader by conducting its open-minded politics.

Reality is a measure to judge whether politics is progressive or reactionary. Ruling circles throughout history have advertised their good administration or people-loving politics, but they were only empty slogans to deceive the popular masses.

Politics by the people, advocating human rights, and slogans for democracy, for which the imperialists and bourgeois self-justifiers claim to stand today, have been fully revealed to be reactionary and fake.

Through past experience and today's realities, our people firmly believe that the most excellent people-oriented politics can truly be conducted only in the socialist society of our own style led by the party and the leader. Our party can today conduct true politics for the people, the most excellent people-oriented politics, because it upholds the great leader at its head.

Comrade Kim Chong-il, member of the Presidium of the Workers Party of Korea Central Committee Political Bureau and secretary of the party Central Committee, noted: People-oriented politics is not automatically conducted even in a socialist society. It can be realized only when a society upholds a leader who endlessly loves the people.

The people's destiny depends on the leader. When a great leader is upheld, true people-oriented politics can be conducted and the people can enjoy true human dignity and happy lives.

Politics for the people in a socialist society is politics of the leader and the leader [yongdoja] who represent the party and the people. The leader is the people's great politician and the guide of the revolution who advocates most thoroughly the popular masses' demand for independence and their interest and who has extraordinary wisdom, iron will, peerless courage, and noble traits for wisely leading the struggle to realize it.

How the people's destinies are pioneered, and how they live their independent and creative lives totally depend on the leader's [yongdoja] politics.

Our party and people uphold the respected and beloved leader Comrade Kim Il-song, the most seasoned and greatest politician, who loftily embodies his love for the people. The great leader's love for the people is the basic source of true politics of the people in our country.

The respected and beloved leader [suryong] stated in his memoir "With the Century" that the family precept he inherited from his grandfather was that man can live without money but cannot live without benevolence. This teaching illustrates the lofty moral reputation of our leader who was born with love for the people. Since he embarked upon the road of revolution, he made the idea of revering the people as heaven and endearing the people close to his heart his favorite maxim. Based on this idea, he has devoted his all to the cause of the people.

The great leader's [suryong] love for the people symbolizes an unconditional confidence in the people with whom he mingles and shares life and death, sweetness and bitterness. This love also represents an endless devotion and lofty spirit of service that moves the great leader to make flowers bloom on rocks and pluck stars from the sky for the people.

The historical cause of fatherland liberation was achieved and a new history of socialism was victoriously pioneered in our country. The popular masses-centered socialism of our style was constructed in this land and the most excellent benevolent politics is being carried out. These achievements are unthinkable apart from the unremitting energetic activity and the wise leadership of the great leader who endlessly loves the people and dedicates his whole life to them.

The dear leader Comrade Kim Chong-il inherits the lofty intention of revering our people as heaven and endearing the people close to his heart from the respected and beloved leader. Based on this lofty intention, he intends to consummate the popular masses-centered socialism of our style to the end. This is the dear leader Comrade Kim Chong-il's unswerving will.

The dear leader Comrade Kim Chong-il has civil and military achievements, loyalty, filial piety, and lofty love for the people and is shaping the most excellent benevolent politics for our people. Our party's politics of love and trust is a lofty manifestation of the great leaders' [yongdoja] love for soldiers and endless love for the people.

The revolutionary leader's love for the people is the most valuable benevolent love which gives the most precious political life and shows meticulous concern. It is also the warmest love that spares nothing from the people. It is also the permanent love that assumes full responsibility for the people's fate and future and leads them.

Unbreakable close bonds of kinship between the leader [yongdoja] and the people are being firmly cemented by the lofty love endlessly given by the dear leader. The bosom of the revolutionary leader who warmly embraces all the people is the most generous bosom of a parent. To anyone who supports the revolution and follows the party, the leader's bosom represents the infinitely broad mind which trusts and leads the people. He generously embraces anticommunist elements or those who committed sins before the nation in the past in his bosom with his great magnanimity.

In our country today, all the people firmly rally behind the party and the leader and are leading a worthwhile and active life and striving hard. Regardless of whether they are in the North, in the South, or abroad, and regardless of their ideology, political views, factions, belief, and political life, all the people respect and unconditionally follow the great leader [yongdoja]. This is because the leader's heart is warm and broad.

We have had many great statesmen and famous great men in history. Despite their greatness, however, no one surpasses the revolutionary leader our people uphold, in terms of the great statesmanship in carrying out politics for the people, the lofty love for the people, the outstanding natural disposition in ideological and theoretical intelligence, leadership, and moral reputation that he has.

It is truly the greatest luck and honor for our people to live with the great leader [suryong]. The popular masses-centered socialism of our style is displaying the invincible might because the most excellent benevolent politics shaped by the great leader [yongdoja] is being carried out. Socialist might relies on unity. The most solid unity is a single-minded unity of the leader, the party, and the masses.

We should have a firm faith and an iron will in which the people will firmly trust their leader [suryong] and party and carry out the revolution by firmly uniting around their leader and party. This is an ideological source of single-minded unity. The most excellent benevolent politics carried out by our party makes our people cherish more deeply in their heart the iron faith and will intended to firmly trust and follow only the great leader [suryong] and the dear leader Comrade Kim Chong-il to the end.

All of our revolutionary fighters who have been raised to be the chuche-oriented revolutionaries of the precious political life in the bosom of the party and the leader. Nothing is more benevolent than the love and affection of the party and the leader who give the most valuable unconditional trust to them, by having them represent revolutionaries and raising them to be revolutionaries. Therefore, everyone who lives in this land burns with the desire to uphold and follow the revolutionary leader with a clean mind and to be loyal and filial.

The strength of love is great. The power of the leader's love and benevolence moved all the people throughout the country to firmly unite in ideological will and moral duty to bring about great single-minded unity. Our single-minded unity is one uniting ideology and action. It is also one based on the revolutionary sense of obligations and comradely love.

In our country, the inseparable bond of kinship are being formed between the leader and the fighters and between the leader and the people. Based on these bonds, the mutual relationship of comradely love and the revolutionary sense of obligations among all the members of society are being brought to full bloom.

Only when they uphold the dear leader Comrade Kim Chong-il as their revolutionary leader [yongdoja] and as their great teacher and fight with firm unity only around the dear leader are the ranks of our party and revolution filled with the unswerving faith that they can adhere to and advance the socialist cause and with the lofty revolutionary sense of obligations and warm comradely love of trying to fulfill the revolutionary fighters' duties under any circumstance.

Our party members and working people are devoting all of their strength and wisdom to the struggle for implementing the party's line and policy with high pride as the people who carry out the revolution under the leadership of the great party and the leader. They are also helping and leading each other on the basis of the collectivist principle—one for all, all for one, working and living in the revolutionary manner.

Our socialist society is a peaceful, united society whose people comprise a large family with the leader [suryong] as their parent. In our society today, the noble love of man which willingly devotes his life to save comrades and share even his blood and flesh is being brought into full play. The communist trait of virgins volunteering to marry veterans is being brought to full bloom. This is a beautiful story which only the true chuche-oriented communist revolutionaries can display and which is only found in our country.

The great leader's benevolent politics made the people become true men with lofty ideological spirit and morality and generated the unprecedented proud realities of history. This is why our single-minded unity is mighty and why our socialism is vigorously advancing, overflowing with such vitality.

No other society has people who uphold the leader [suryong] as their parent, help and lead one another, share joys and sorrows, and thoroughly guarantee man's dignity and rights as our country does; no other society is free from worries over food, clothing, and housing, and free of unemployed persons and nomadic beggars.

A foreign writer who witnessed and experienced our country's realities first-hand recorded his impressions by eloquently writing that President Kim Il-song's and Secretary Kim Chong-il's ideology of respecting the people and their love for the people are the source that guarantees the future of Korea's socialism and that Korea's socialism epitomizes the success of this ideology and love.

Today our people are optimistic about the future. They are satisfied with our socialist realities today. However, they are firmly confident that a better future for our socialist realities will come. Our people are cherishing deeply in their heart the fact that socialist victory, their happiness, and future are guaranteed because their great leader endlessly shines socialism of our style. They are also deeply cherish their iron faith and will to fight alongside the party and the leader to the end.

Socialism of our style in which the great politics is carried out is part of our people's daily routine and life. No matter how desperately the imperialists maneuver today, they can by no means destroy socialism, which is staunchly taking root in our people's hearts. Socialism of our style, which is advancing in the unconditional support and confidence of all the people, is invincible.

Hurrah for our style of socialism, which brings the aspirations and desires of the popular masses into full bloom.

## Symposium Marks Anniversary of Movement

*SK0502121793 Pyongyang KCNA in English 1114 GMT 5 Feb 93*

[Text] Pyongyang, February 5 (KCNA)—A national symposium was held here Thursday to commemorate the 20th anniversary of the three-revolution team movement.

The movement is a new method of revolutionary guidance to push ahead with the ideological, technical and cultural revolutions by combining political-ideological guidance with scientifical-technical guidance, letting the superiors help the subordinates and getting the masses on the move.

The great leader Comrade Kim Il-song initiated the three-revolution team movement in February 1973, formed the teams with core elements of the party and young intellectuals fully prepared in political, ideological, scientific and technical aspects and set the beginning of a radical turn in the three revolutions and socialist construction, said those who took the floor at the symposium.

The dear leader Comrade Kim Chong-il established an orderly system of party guidance over the movement, indicated the direction, contents, and methods of activities of the teams and widely guided them so that the movement has turned into a revolutionary and scientific method of revolutionary guidance of the ruling party in socialist construction and has displayed great vitality as a powerful motive force to promote the cause of modelling the whole society on the chuche idea through vigorous three revolutions, the speakers noted and continued.

With the movement waged vigorously and the three revolutions promoted actively as the general line of socialist construction, our party and people could firmly defend the socialist cause of chuche and demonstrate the validity and vitality of our socialism even when socialism suffered a setback in some countries. Today 220,000 people of the new generation have grown through the three-revolution team activities of the leading personnel of party and government bodies, economic organs, industrial establishments and cooperative farms at different levels; they play an important role in resolutely defending the continuity and consistency of our party and revolution. The symposium was attended by Yi Chong-ok, Politburo member of the C.C. [Central Committee] the Workers' Party of Korea [WPK] and vice-president, Yun Ki-pok, secretary of the C.C. of the WPK, and officials concerned, party, administrative and economic officials, three-revolution team members, teachers and researchers of party cadre training institutions and men of science, education and the press.

## Socialist Youth Discuss Kim Chong-il Idea

*SK0702094393 Pyongyang KCNA in English 0839 GMT 7 Feb 93*

[Text] Pyongyang, February 7 (KCNA)—A symposium on the dear leader Comrade Kim Chong-il's idea of the youth movement was held here Saturday on the occasion of the upcoming 8th Congress of the League of Socialist Working Youth of Korea.

Speakers at the symposium said that the dear leader Comrade Kim Chong-il with his extraordinary intelligence and energetic ideological and theoretical activities further developed in depth and comprehensively consummated the chuche-based idea and theory of the youth movement founded by the great leader Comrade Kim Il-song and thus brilliantly indicated the path to be followed by the youth movement of the present era.

They pointed out that what holds a brilliant place in the ideological and theoretical wealth of the youth movement of chuche created by the dear leader is the idea of bringing up the younger generation to be true communist revolutionaries by strengthening revolutionary organisational life. They said the dear leader's idea that the League of Socialist Working Youth of Korea should uphold the party's leadership with loyalty, regarding it as their first and foremost life, is a scientific and unique idea which makes it possible to successfully solve all the questions of the youth movement on the basis of the principle of revolutionary attitude toward the leader.

The dear leader's idea of defending the red flag of revolution to the end down through generations is a unique idea which reflects the lawful course of the inheritance and completion of the revolutionary cause of the leader and its essential requirement, they stressed.

They emphasized the need for all the young people to firmly defend and exalt from generation to generation the original idea and theory of the dear leader on the youth question and his immortal feats in its solution.

Secretary of the C.C. [Central Committee], the Workers' Party of Korea Yun Ki-pok was present at the symposium.

### Importance of 'Monumental Edifices' Stressed

*SK0802121293 Pyongyang KCNA in English 1037 GMT 8 Feb 93*

["WPK's, Workers Party of Korea, Great Guidance in Building Monumental Edifices"—KCNA headline]

[Text] Pyongyang, February 8 (KCNA)—The Workers' Party of Korea has built many monumental edifices of eternal value. NODONG SINMUN Sunday says this is a historic event without precedent in the national history of 5,000 years and an imperishable contribution to the cause of socialism.

The signed article entitled "Our Party's Great Guidance in Building Monumental Edifices of Eternal Value" says:

By erecting the monumental edifices, our party made it possible, first of all, to praise and exalt the greatness and revolutionary exploits of the respected leader Comrade Kim Il-song through generations.

Under the party's leadership, our people refurbished Wangjaesan, Samjiyon and other revolutionary battle sites and historic sites with sculptures, towers and monuments representing Comrade Kim Il-song's revolutionary exploits, turning them into a school for education in revolutionary traditions and a great open-air revolutionary museum. They are greatly proud of the statue of Comrade Kim Il-song erected on Hill Mansudae against the background of the Korean revolution museum showing the glorious and brilliant history of his revolutionary activities, the Tower of the Chuche Idea, the Arch of Triumph and the magnificent and graceful Kim Il-song square and Kim Il-song Stadium.

By building many grand monumental edifices, our party has successfully realised the ages-long desire of our people for an independent and creative life and enriched our country as a people's paradise.

The Pyongyang Maternity Hospital, the Changgwang Health Complex, Changgwang, Munsu, Kwangbok and Tongil Streets and modern cultural facilities and streets in local towns and villages are unthinkable apart from our party's wise leadership. Korea is famous as a people's country as splendid monumental edifices are built and used for the people's sake thanks to our party.

By building many monumental edifices of eternal value, our party renewed the looks of the socialist motherland and exalted the honour of the land of chuche.

The monumental edifices built in large numbers in Korea add to the honour and pride of the country. The country is covered with structures for consolidating the foundation of the national economy, monuments conducive to the political and ideological education of people and buildings serving for material and cultural life. The history of great change is associated with the firm will of our party to add shine to the country.

### KPA Said Unified Around Supreme Commander

*SK0802123293 Pyongyang KCNA in English 1057 GMT 8 Feb 93*

["People's Army United Singleheartedly Will Always Win"—KCNA headline]

[Text] Pyongyang, February 8 (KCNA)—Unity of the Korean People's Army is a unity around the respected supreme commander and a singlehearted unity based on revolutionary obligation and comradeship, declares NODONG SINMUN in a by-lined article today.

The article titled "People's Army United Singleheartedly Will Always Win" quotes the great leader Comrade Kim Il-song as saying:

"Our People's Army is invincible because all its officers and men are fused in revolutionary comradeship and closely bound by one ideology and one will."

The article notes:

The Korean People's Army [KPA] is, first of all, a solid integrated whole united in one thought and one purpose with the unshakable faith and will to resolutely defend the respected supreme commander.

The faith and will of the KPA are steadfast and unshakable.

Its faith is a firm conviction that our revolutionary Armed Forces guided by the respected supreme commander will surely emerge victorious and a death-defying resolution to readily devote their youth and lives in fulfilling the orders of the party and the leader. It is also an indomitable fighting spirit for making their way through any difficulties. To unite closely around the respected supreme commander in this revolutionary spirit is the revolutionary traits of the KPA.

"We always win as we are guided by the supreme commander!"—this is the slogan of confidence which the KPA is holding high. With such an unswerving faith and noble obligation prevailing in the whole army, the KPA is so powerful and any enemy cannot dare provoke us.

The KPA is also a powerful combat unio full of the revolutionary military morale of unconditionally carrying out the ideology, intention, orders and instructions of the respected supreme commander.

The revolutionary mipitary morale of the KPA is, in essence, the spirit of absolutely and unconditionally carrying into practice the idea and intention, orders and instructions of Comrade Kim Chong-il, the respected supreme commander, without the slightest delay and the revolutionary discipline and order of thinking and acting as one according to them.

It is not by any military duty or order that the revolutionary military morale of the KPA has been established. It is based on the unquestioned trust in and unfailing loyalty to the party and the leader which stemmed from deep understanding of the greatness and wise guidance of the respected supreme commander.

The KPA is also a revolutionary army proud of the beautiful traits of unity between the officers and the men, between the party members and the members of the League of Socialist Working Youth of Korea and between the army and the people.

Unity between the officers and the men and between the party members and the lswyk members is a slogan of unity which only the KPA is holding high, faithful to the respected supreme commander, and it is a precious ideological and moral source of the increasing might of our army.

The singlehearted unity of the KPA has become all the more powerful as the idea of unity between the army and the people has been successfully applied.

The KPA is an army which has inherited the idea and tradition of union between the army and the people created in the period of the anti-Japanese revolutionary struggle, true to the teachings of the great leader: "As fish cannot live without water, so guerrillas cannot live without the people." The idea and tradition of unity between the Army and people have come into full bloom under the leadership of the respected supreme commander.

Today the KPA has become invincible revolutionary Armed Forces united in one mind on the basis of revolutionary obligation and comradeship. It is entirely because it has an illustrious leader as its supreme commander.

The KPA which is advancing, united in one mind around the respected supreme commander, will always win victory as in the past.

## Daily Urges Economic Plan Development

*SK0802013493 Pyongyang Korean Central Broadcasting Network in Korean 0006 GMT 6 Feb 93*

[NODONG SINMUN 6 February editorial: "Let Us Continue To Vigorously March Forward While Consolidating the Victory From the First Combat"]

[Text] In hearty response to the great leader Comrade Kim Il-song's New Year address, all the party members, workers, and three revolution team members in all the fields of the people's economy have brilliantly fulfilled the goals of this year's first month by vigorously waging the struggle to produce more at the outset of the new year. With this pride, they are now accelerating the vigorous march to fulfill the goals of the meaningful February, and those of the first quarters ahead of schedule.

The goals for the first month have been fulfilled in the coal, electrical power, and metallurgical industries. Goals have been fulfilled in various other sectors of the people's economy. This is the proud first victory attained in the struggle to fulfill the economic tasks for this year presented by the party. This is a clear testimony to the strength of our socialist economy and its boundless vitality.

To score new upsurges in socialist economic construction, our party has clearly elucidated directions and ways to carry out economic tasks. It has taken various excellent measures to successfully solve all the problems that may arise in the struggle to carry out economic tasks.

The victory from the combat of this year's first month shows how wise our party's leadership is in scoring new upsurges in socialist economic construction. The victory has given us the firm belief that no fortress is unconquerable when we march along the single road elucidated by the party.

The great leader Comrade Kim Il-song has taught: In hearty response to the slogan "Let the entire party, all the people, and the entire army be single-mindedly united in completing the socialist cause to the end," all party members and workers must display popular heroism and the revolutionary spirit of self-reliance and arduous struggle, vigorously accelerate socialist construction, and more highly display the superiority of our country's socialism.

We have made a good start in this year's general forward march to score grand upsurges in socialist economic construction in hearty response to the great leader Comrade Kim Il-song's New Year address. We should not, however, be too proud of our achievements in the first combat. Today's situation in our country and our heavy revolutionary tasks demand that we continue to vigorously march forward without the slightest stagnation or indolence. For all the sectors and units of the people's economy to fulfill plans by the day, by the month, by the quarter, and by the indicators without fail by normalizing production on a high level this year is a worthwhile struggle to brilliantly decorate the 40th anniversary of the victory from the Fatherland Liberation War.

Our party calls on all the party members and workers to continuously make great strides, make endless progress, and march forward to fulfill higher goals without being too proud of their previous victories. All the party members and workers in every field of the people's economy must continue to vigorously march forward to brilliantly fulfill the goals of meaningful February, the first quarter, and this year while consolidating their victory in the first combat.

To vigorously accelerate the march to fulfill higher goals, officials and workers must first of all have fervent loyalty toward the party and the leader, more highly display an indomitable struggle spirit, and work in a combative manner. The struggle spirit which our people displayed everyday during the [fatherland liberation] war was a demonstration of their revolutionary resolve and strong will to strongly believe their leader and their party, and to loyally uphold the party's leadership.

The officials and workers in all sectors and units of the people's economy must vigorously join the forward march, while cherishing deep in their hearts the notion that achieving new upsurges in socialist economic construction after overcoming all difficulties is a genuine way to uphold the party's leadership and defend and glorify our socialism. They must also make endless progress in performing the party's economic tasks.

Highly displaying the revolutionary spirit of self-reliance and arduous struggle is an important guarantee for scoring endless upsurges in socialist economic construction in hearty response to the leadership of the party and the leader. All party members and workers must firmly believe that the party's directions will surely lead to victory and honor; more resolutely struggle to carry out the tasks of their sectors or units with their own strength; and display a high revolutionary spirit and positive creativity. In this way, they must carry out the party's revolutionary tasks to the end without fail.

All party members and workers must make every strenuous effort and try to find ways to perform the tasks of their sectors or units without fail. They must also achieve technological innovation and efficiently utilize raw materials and resources, particularly when assigned to difficult tasks. For officials to organize and command production with a high revolutionary spirit and combat capability is an important requirement for normalizing a high level of production and thus brilliantly fulfilling this year's plan.

Guidance officials in all sectors of the people's economy must clearly understand that carrying out the people's economic plan is the party's instruction and the state's law. They must also personally task themselves with the struggle to operate facilities at full capacity and normalize production at a high level. They must also perform projects and organizational work systematically.

Officials must particularly give priority to normalizing production at a high level from the beginning of the month and organize technological guidance, management of facilities, supply of resources, and supply of manpower without a hitch. Officials must pay due attention to improving production and construction quality.

Guidance officials in the coal, electric power, and metallurgical industry sectors; the chemical fertilizer industry sector; the people's consumer goods industry sector; and all other sectors of the people's economy must establish firm discipline on cooperative production and organize work better in order to completely carry out plans by the day, by the month, by the quarter, and by the indicators. They must also dovetailing work among different sectors and inside each sector. They must wage a more vigorous conservation campaign to produce more with the existing facilities, resources, and manpower.

In particular, when assigned to difficult tasks, officials must personally go down to battlefields of production and [word indistinct] with a high revolutionary spirit, fully acquaint themselves with reality, solve knotty problems with initiative, and lead the masses by setting practical examples.

Experiences show that when party organizations give top priority to political work and work with men and inspire the masses into struggles as required by the Chongsan-ri spirit, the Chongsan-ri method, and the Taean work system, they can score upsurges in production everywhere. Party organizations at all levels and three revolution team members in all sectors and units of the people's economy must continuously and profoundly explain the great leader Comrade Kim Il-song's New Year address and the party's plans to the producer-masses after closely linking them to the revolutionary tasks for each sector and unit. In this way, they must ensure that the producer-masses continue their innovation and march with the indomitable struggle spirit which they displayed everyday during the war.

However formidable our tasks may be, there is no unconquerable fortress, as long as there is the wise leadership of the party and the leader and as long as there is the fervent loyalty of our people who are strongly united around the party and the leader.

Let us all vigorously march forward to win greater victories while consolidating the victory from the first combat of this year to ensure that the flames of great upsurges go up across the country.

## Daily Urges Enhanced Fertilizer Production

*SK0502064593 Pyongyang Korean Central Broadcasting Network in Korean 0018 GMT 2 Feb 93*

[NODONG SINMUN 2 February editorial: "Let Us Increase Fertilizer Production by Operating Facilities at Full Capacity"]

[Text] Today functionaries and working people in sectors for chemical fertilizer production, including the chemical industry and the mining industry sectors, have the honorable task of producing more chemical fertilizer and sending it to rural areas, upholding the great leader Comrade Kim Il-song's New Year's address.

In order to guarantee the responsible, timely production and supply of chemical fertilizer necessary for this year's farming, fertilizer production facilities should be operated at full capacity and production should be normalized at a high level.

The great leader Comrade Kim Il-song has taught: Concerned sectors, including the chemical industry sector, should guarantee the responsible, timely production and supply of chemical fertilizer necessary for this year's farming.

Fertilizer is rice. When we produce a large quantity of various efficacious fertilizer befitting our country's soil condition and our agricultural products' biological attributes and send them to rural areas, we can increase per-chongbo grain yield even more.

Supplying rural areas with sufficient fertilizer is the key to markedly increasing agricultural production by thoroughly implementing the chuche farming method under today's situation, in which water and seed problems have been solved under the party's wise leadership.

This year is a significant year of the 40th anniversary of the great victory in the Fatherland Liberation War. In order to markedly increase agricultural production and to solve the people's food problems even better in this significant year by thoroughly implementing what the chuche farming method demands, it is mandatory to produce various chemical fertilizer, including nitrogen, phosphorus, and kalium, and to send them to rural areas.

Normalization fertilizer production by operating fertilizer plants at full capacity is an important work, on which we have to concentrate the greatest effort today to brilliantly fulfill this year's target of fertilizer production and to responsibly send fertilizer to rural areas in a well-assorted, timely way.

By doing so, we can hasten realization of the idea of our party, which struggles for realization of our people's long-cherished wish for all the people to eat rice and meat soup, to wear silk clothes, and to live in tile-roofed houses, considering it an important goal of socialist construction.

All functionaries and working people in sectors concerned, including the chemical industry, should more vigorously struggle to operate facilities at full capacity so as to normalize fertilizer production at a high level.

Functionaries and working people in the fertilizer production sector should, above all, work in a militant way with great revolutionary spirit to operate fertilizer plants at full capacity.

The struggle to make a new turning point in agricultural production by increasing fertilizer production is obligatory work to smash all challenges by imperialists and reactionaries, to protect and defend the socialism of our own style, and to highly advance its superiority.

All functionaries and working people in the fertilizer production sector should deeply aware that today's struggle is heavy, obligatory work just to protect, defend, and glorify socialism. Also, they should make every effort to implement assigned task by their own strength, with burning enthusiasm, fighting spirit, and firm faith in justness of our revolutionary cause and in certain victory.

The great revolutionary spirit and militant trait of functionaries and working people in the fertilizer production sector should be expressed in the practical struggle to normalize production at a high level by operating facilities at full capacity.

There are many chemical fertilizer plants here and there in our country. When these plants built under the party's wise leadership are operated at full capacity, it will be possible to smoothly produce and supply fertilizer necessary for this year's farming at the right farming season without difficulty.

All functionaries and working people in the chemical industry and mining industry sectors should attach great importance to operating facilities at full capacity and should more vigorously struggle to normalize fertilizer production at a high level.

Fertilizer production facilities are the most important means of fertilizer production. If facilities are not managed well, it is impossible to normalize production at a high level, no matter how great the producers enthusiasm is.

Based on a correct grasp of conditions of various facilities, including pipes and tanks in particular, fertilizer plants should systemically carry out daily tests, maintenance, and repair of facilities. Also, they should vigorously push ahead with the work of modernizing existing facilities.

The producing masses are masters of facilities and persons in charge of facility management. Fertilizer plants should completely set up a system of facility management by the producing masses and enhance the producing masses' sense of responsibility and their role so as to thoroughly manage the facilities.

Being clearly awake to their position as masters of the revolution and masters of the country's economic life, producers of fertilizer should participate in facility management with an attitude of masters and should thoroughly abide by technical specifications and standard operation manuals when using and managing facilities.

The Hungnam fertilizer complex and the Namhung youth chemical complex shoulder heavy tasks in producing chemical fertilizer. All functionaries and working people at these complexes should know that accomplishment of this year's target of chemical fertilizer production assigned by the party is greatly influenced by their role. Being aware of this, they should produce a large quantity of efficacious fertilizer by operating facilities at full capacity.

The Chongsung chemical plant, the Sunchon nitro-lime fertilizer complex, and the Sinhung chemical complex also should continue to vigorously struggle to normalize fertilizer production at a high level.

Refineries in the mining industry sector should vigorously wage the struggle of producing phosphate fertilizer.

Smooth supply of raw materials, materials, and electric power is an important demand in normalizing fertilizer production at a high level by operating facilities at full capacity.

In general, the electric power industry sector should produce more coal, electric power, phosphorite, emulsified steel, and zinc ore concentrate and responsibly send them to fertilizer plants, upholding the party's demand that great efforts be concentrated on fertilizer production.

Also, the chemical industry sector should produce more reagents and chemical products and send them to fertilizer plants while concentrating great efforts on fertilizer production.

Transportation is production. The railway transportation sector should be aware that production of chemical fertilizer is greatly influenced by transportation of raw materials and materials including coal and phosphorite, and plan and coordinate transportation work even better. The transportation sector should remit produced fertilizer to rural areas in a timely manner.

Our party demands that all-party, all-state efforts should be concentrated on chemical fertilizer production. Various party organizations in all sectors of the people's economy and all functionaries of administrative and economic organizations should know that chemical fertilizer production is one of the most important issues that our party intends to resolve today and should have continuous, deep interest in this.

Various party organizations at fertilizer plants should awaken the producing masses to the significance of increasing fertilizer production by operating facilities at full capacity. They should carry out constant political propaganda and economic agitation in various forms and ways so that the producing masses can vigorously launch into the struggle to brilliantly accomplish the target of chemical fertilizer production assigned by the party. Also, they should find those units, which are advanced in production, in a timely manner and should extensively popularize their experience.

Functionaries should set examples by taking the initiative in doing difficult and arduous work and solve raw materials, materials, and parts problems in a responsible, timely manner by enabling all sectors concerned to come into gear.

All functionaries and working people in the fertilizer production sector should operate fertilizer production facilities and normalize production at a high level, by highly displaying the revolutionary spirit of self-reliance and fortitude, so that they can responsibly produce and supply chemical fertilizer necessary for farming. By doing so, they should more greatly contribute to achieving a bumper crop in this significant year.

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## South Korea

### Chong Chu-yong on Retirement From Politics

*SK0902024693 Seoul YONHAP in English 0215 GMT 9 Feb 93*

[Text] Seoul, Feb. 9 (YONHAP)—Industrialist-turned-politician Chong Chu-yong declared his retirement from politics Tuesday.

The embattled founder of the Hyundai Business Group did not attend a ceremony for his United People's Party's [UPP] first anniversary on Monday.

Chong handed in his resignation as executive chairman of the UPP's Supreme Council at a party caucus at party headquarters on Tuesday morning.

"I shall not engage in politics, but instead work for the economy," Chong said as he submitted his resignation. He then hustled out of the conference room with Rep. Chong Mong-chun, his sixth son.

Chong, his son said, had expressed his regret to UPP lawmakers for having "attacked" rivals Kim Yong-sam and Kim Tae-chung during his campaign for the December presidential election.

"I should have regarded Kim Yong-sam and Kim Tae-chung as partners in good faith but I thought them to be competitors," Chong was quoted by his son as saying.

The UPP is mostly likely to be dissolved now, a year after its inauguration, due to Chong's sudden resignation.

Chong was formally indicted Saturday on charges of embezzlement of corporate funds and violation of the presidential election law.

The prosecution's indictment was believed to have prompted him to retire from politics. Chong missed the first anniversary ceremony Monday for the party he created and instead stayed at his farm in Sosan, apparently to ponder his political future.

Chong left Sosan at 8:10 AM by helicopter and revealed his plan to his son at his home in Chongwoon-tong. He arrived at party headquarters at 9:50 AM.

Chong Mong-chun told reporters that it was "evident" that his father would retire from active politics.

"When I met him at my house, he told me he was at ease now," he said.

### Legal Prosecution Continues

*SK0902062193 Seoul YONHAP in English 0549 GMT 9 Feb 93*

[Text] Seoul, Feb. 9 (YONHAP)—The prosecution is to continue legal proceedings against Chong Chu-yong even though he declared his retirement from politics Tuesday.

Chong was indicted without physical detention on suspicion of diversion of Hyundai Heavy Industries Co. funds to the United People's Party and for violating presidential election laws.

"It is undesirable that changes in politics, like Chong's retirement, affect law enforcing procedure of the prosecution," a senior prosecutor said.

He ruled out possiblity that the prosecution would not arraign Chong.

### Parties React to Resignation

*SK0902093893 Seoul YONHAP in English 0752 GMT 9 Feb 93*

[Text] Seoul, Feb. 9 (YONHAP)—Reactions varied from shock to relief Tuesday after Hyundai Group founder Chong Chu-yong announced his retirement from politics and return to business.

While the ruling Democratic Liberal Party [DLP] welcomed Chong's decision, the Democratic Party [DP] and his own United People's Party [UPP] appeared bitter and confused. Businessmen embraced Chong's departure and hoped it would set a negative example for others.

Senior DLP members made numerous references, mostly positive, to it at a ceremony marking the party's third anniversary and party spokesman Pak Hui-tae issued a short statement welcoming Chong's return to business.

"It is fortunate Chong has returned to business and will devote himself to the economic prosperity of the nation, for which he has worked hard," Pak said.

Asked about Chong's indictment on presidential election law and embezzlement charges, Pak said that he was not in a position to comment as the party hadn't had an official meeting on the matter.

DLP Executive Chairman Kim Chong-pil said the resignation was a "natural deed," party whip Kim Yong-tae evaluated it as a "mere return to normal away from misfortune," and Rep. Kim Yun-hwan rated it a "contribution to national development."

The main opposition Democratic Party seemed stunned and showed keen interest in the direction of the UPP without Chong.

"I cannot make a particular comment because I still don't know the motivation behind the action," party Chairman Yi Ki-taek said.

Party spokesman Pak Chi-won said that he felt the "vanity of politics" and because the UPP was a house negotiating body and Chong was its leader the UPP should clearly explain the decision.

Kim Sang-hyon, a contender for party chairman, welcomed the move and praised Chong for helping eradicate the remnants of military dictatorship in the general and presidential elections.

"I hope he gives a helping hand in solving our economic crisis now that he's back in business," Kim said, inviting UPP lawmakers to join the Democratic Party to install a genuinely democratic government.

Nowhere was the shock greater than among officials and lawmakers at the UPP, which had only just celebrated its first birthday.

Though some said they saw something coming when Chong missed the anniversary bash Monday, most party members had taken his absence as just another quixotic action and a sign of his discomfort with recent developments such as his indictment.

Rep. Cha Su-myong, a Chong confidante, refused to accept the resignation and UPP Secretary General Kim Hyo-yong appeared to be upset with the action.

"What on earth do they (DLP) hope to gain by having Chong leave politics?" Kim said.

After Chong left party headquarters in central Seoul he went to Ulsan, South Kyongsang Province, and is in seclusion at a guest house owned by Hyundai Heavy Industries co. He is refusing to meet with reporters or members of his party, which held an emergency meeting and agreed to persuade Chong to change his mind.

Security around the company and the guest house was beefed up after the announcement Tuesday.

Rep. Pak Chol-on tried to stop a mass exodus from the party, appealing for resolve and promising to find out more about Chong's motivation.

Officials at the Hyundai Group appeared to be relieved and said they hoped to mend relations with the government, strained since Chong entered politics. A high-ranking official predicted that Chong would commit himself to "grand business initiatives" instead of returning immediately to the group.

The initiatives included plans for a canal through Mexico, and Chong might soon visit Mexico for consultations on the "biggest construction project of the century," he said.

Another senior official, also wanting to remain anonymous, said that Chong had been advised by confidantes and family to devote his energies to economic development and stay away from politics.

"As far as I can see, the recommendations must have worked," he said.

Hyundai officials are wondering whether to ready an office for Chong on the 12th floor of group headquarters in Seoul. Chairman Chong Se-yong is using the office once used by his elder brother.

Business leaders, uneasy at Chong's plunge into politics, were supportive of his action and expected it to put the business world back on track.

A senior official at the Federation of Korean Industries [FKI] said that FKI had been in a "puzzling" situation with both Chong and the government.

"We are relieved to get relations back on a normal footing," he said.

Another source expressed worries that Chong has lost his business reputation due to his soiled political image. Executives from Samsung, Daewoo, Sungkyong and other top groups welcomed his return, expressing hopes that Chong would contribute to Korea's economic development using his experience as a businessman.

## UPP's Future Viewed

*SK0902102093 Seoul YONHAP in English 0820 GMT 9 Feb 93*

[Text] Seoul, Feb. 9 (YONHAP)—Chong Chu-yong, who never suffered a major setback in his life as a businessman, admitted defeat in politics Tuesday and announced his retirement.

Chong's retirement, coming exactly one day and one year after he formed the United People's Party [UPP], is expected to leave the party rudderless and adrift in the tumultuous sea of Korean politics.

It could also force a change in the political map of the country.

Following the announcement, the party convened an urgent meeting of chairmen and senior officials and affirmed their determination to keep it going, even if Chong left.

"The United People's Party will continue to exist," declared Pyon Chong-il, the party spokesman.

The spokesman also said that although Chong had expressed his intention to leave the party, Chong did not say he would give up his seat in the National Assembly.

It was true, Pyon added, that Chong had said he would like to contribute to the nation through his business activities rather than politics, but he was just expressing his sentiment and not an intention.

Despite the firm resolution of party members, analysts believe the party is facing possible disintegration as it lost its binding force and, more importantly, a sole financial backer.

After all, they say, the party was formed by Chong and by Chong alone, and for the express purpose of realizing his presidential ambition. Having been defeated in the election, Chong naturally lost interest in the existence of the party.

In what now is believed was a prelude to his retirement, he reneged on his promise to provide the party with 200 billion won for the party's development. He insisted that he made the promise only on condition that he won the presidential race.

Nevertheless, members of his party tried hard to hang on and maintain the semblance of a legitimate political force.

Only a few days ago, the party even rallied around its leader and vowed to fight against what it called the government's oppression of the minority opposition party by indicting Chong without physical detention on charges of presidential law violations and misuses of corporate funds of the Hyundai group.

Following the presidential election, Chong conceded defeat and sent several overtures to president-elect Kim Yong-sam and the Democratic Liberal Party, trying to mend fences damaged by his vituperate and often hostile comments against his rivals during the campaign.

But his conciliatory gestures were consistently ignored, and he was said to have been highly disturbed by his indictment.

To make the situation worse for him, Chong had been under increasing pressure from the Hyundai group to give up politics, according to sources close to the founder of the group.

Chong Se-yong, his brother and chairman of the group, and group executives had demanded that the 78-year-old Chong retire from politics "so that both the Hyundai group and the party can go on living."

Announcing his retirement, Chong said he was sorry he had not regarded Kim Yong-sam and Kim Tae-Chong just as "competitors" in the election but as "rivals." His remark was interpreted by many as an apology to the two Kims.

It could also be taken as a humble message to the president- elect, begging his "generous consideration" with regard to the judicial processes pending against him, some analysts believe.

His personal problems aside, the United People's Party without Chong stands at the crossroads with a dark cloud cast over the future of many party lawmakers.

If, or rather when, the party disintegrates, the most affected members will be those who defected from the Democratic Liberal Party to join it. They include reps. Yi Cha-hon, Pak Chol-on, Kim Pok- tong, Kim Yong-hwan and Yu Su-ho.

They would most likely hang on to the United People's Party, no matter what, while the rest could very well join the Democratic Liberal Party since their roots were also in the majority party.

The Democratic Liberal Party is understood to have already launched efforts to induce UPP lawmakers into the fold.

## DLP on 'Phased-in' Government Reduction

*SK0902041693 Seoul YONHAP in English 0305 GMT 9 Feb 93*

[Text] Seoul, Feb. 9 (YONHAP)—In addition to scrapping the Sports and Youth and the Energy and Resources Ministries, the Democratic Liberal Party (DLP) has suggested a freeze in employment of public officials and a phased-in reduction to realize the "small but effective" government promised by President-elect Kim Yong-sam throughout his election campaign last year, DLP sources said Tuesday.

DLP policymakers are considering setting staffing levels for each ministry and administration, and endowing government heads with the authority to make most hiring decisions within those limits, the sources said.

As many as 180,000 more civil servants work for the government now than when president No Tae-u took office five years ago, a DLP source noted, adding that the ruling camp was seriously pushing to stop the growth of public officials as a part of its plan to reduce the size of government.

He pointed out that although much of the work of the central government was transferred to local governments, there are more officials.

The DLP dropped its initial plan to recruit some 52,700 personnel for the new government, and instead decided to freeze staff at the current level of 870,000 or gradually cut the number, the source said.

It also plans not to hire officials for two to three years in place of natural depletion due to retirement.

But it will make exceptions for education officials and increase them every year in reasonable number to upgrade educational quality, the sources said.

## Closing of Two Ministries Discussed

### DLP, Administration Agree

*SK0802131493 Seoul YONHAP in English 1121 GMT 8 Feb 93*

[Text] Seoul, Feb. 8 (YONHAP)—The administration and the majority Democratic Liberal Party [DLP] decided Monday to close down the two Ministries of Sports-Youth and Energy-Resources and turn their functions over to the Culture and Trade-Industry Ministries, respectively.

At a joint session held at the National Assembly, the government camp resolved to rename the Culture Ministry as Culture and Youth Ministry upon the merger and the trade-industry as it is now instead of as Industry and Trade Ministry as earlier conceived.

The meeting was attended by vice Government Administration minister Chong Mun-hwa from the administration, and from the party by a group of senior policy makers including reps. Hwang In-song, Kang Yong-sik, So Sang-mok and Kim Chung-wi.

"We will have the National Assembly act on this amendment to the government organization law at the special session opening Tuesday," said a DLP attendee. "The closure of the two offices would be reflected in President-elect Kim Yong-sam's selection of new cabinet members."

The DLP official said a second-phase government reorganization will be worked on by an administration reform committee to be set up upon the inauguration of the new administration.

The second-phase plan might affect the offices of the first and second ministers of state, Health-Social Affairs ministry, government legislation agency, Patriots and Veterans Affairs agency, and part of the function of the Economic Planning Board.

Meanwhile, the Sports-Youth Ministry urged the ruling camp to reconsider its decision to close down the ministry.

In a letter of recommendation addressed to the administration and the majority party, the ministry said it should continue to exist if only to effectively handle burgeoning programs related to people's sound use of their leisure hours.

### DP Opposes Closure

*SK0902102493 Seoul THE KOREA HERALD in English 9 Feb 93 p 2*

[Text] The minority Democratic Party [DP] yesterday said it opposed the majority party's plan to abolish the Ministry of Energy and Resources and have its functions taken over by the Ministry of Trade and Industry.

DP chief policy-maker Chang Che-sik said the plan should be scrapped, describing it as "anachronistic thinking."

Chang said that in principle, his party supports a plan to streamline governmental agencies being pushed by the majority Democratic Liberal Party [DLP], but that the Ministry of Energy and Resources should remain intact in light of its importance role in the management of the nation's energy.

The majority DLP announced Saturday that it intends to revise the Government Organization Law to abolish the Ministries of Energy and Resources and Sports and Youth prior to the inauguration of President-elect Kim Yong-sam Feb. 25.

According to the plan, the functions of the Ministry of Sports and Youth would be transferred to the Education Ministry and the Culture Ministry.

### No Tae-u on Lack of Summit Meeting With North

*SK0802091693 Seoul YONHAP in English 0811 GMT 8 Feb 93*

[Text] Seoul, Feb. 8 (YONHAP)—President No Tae-u expressed regrets Monday that he could not meet with President Kim Il-song of North Korea while he was in office.

Meeting Seoul-based foreign correspondents to bid them farewell before he retires, No said he felt a pang of regret that he could not hold an inter-Korean summit.

He said he wanted to convey his hope to President Kim that North Korea would abandon its nuclear development program, which was the largest stumbling block in inter-Korean relations, and instead concentrate on its economy.

Asked to comment on the indictment Saturday of Chong Chu-yong, executive chairman of the opposition United People's Party, No said it would be wrong to take it as political retaliation.

Chong was indicted as a result of a judicial inquiry into his alleged election law violations, No said.

### ROK-DPRK Trade Drops Due to North Economy, Talks

*SK0902014793 Seoul YONHAP in English 0037 GMT 9 Feb 93*

[Text] Seoul, Feb. 9 (YONHAP)—Trade between South and North Korea plunged in January because of North Korea's worsening shortage of foreign currency and the collapse of inter-Korean dialogue.

Trade sank to 4.35 million U.S. dollars on an approval basis, less than half the 9.76 million dollars of the same month a year earlier, a source at the Trade and Industry Ministry said Tuesday.

Approval for sales to North Korea dropped 82.2 percent to 394,000 dollars, while approval for purchases of North Korean products fell 47.5 percent to 3.95 million dollars.

Cloth and zippers for casual jackets and trousers for domestic consumption accounted for 76.6 percent, or 302,000 dollars, of the shipments to the North in January, the source added.

### Board Studies DPRK Laws on Foreign Investment

*SK0902040993 Seoul YONHAP in English 0302 GMT 9 Feb 93*

[Text] Seoul, Feb. 9 (YONHAP)—North Korea, in a desperate move to prop up its anemic economy, has announced a set of new laws to induce foreign technological expertise and investment patterned after China, which is succeeding in economic modernization while keeping its socialist form of government.

Nearly four months after North Korea revealed its first foreign investment law, the Korean Central News Agency, in a broadcast monitored here Saturday [6 February], said it had adopted new laws on taxing foreigners, foreign exchange control, and establishment of a free economic and trade zone.

Officials at the National Unification Board, who studied the North Korean broadcast over the weekend, agreed that Saturday's announcement did contain some "specific points," compared with the "ambiguous nature of the foreign investment law" announced last year.

North Korea set various tax rates comparatively lower than those of China, in an obvious effort to encourage foreign investment, the officials said.

In case of taxation on corporate income, North Korea is to levy 25 percent of the profit, compared with 30 percent in China. It will impose a 14-percent tax on profits incurred by a foreign corporation operating in a free economic and trade zone, compared with 15 percent in China.

North Korean taxes in other areas such as registrations and use of vehicles are also lower than those of China, they said.

But the North Korean tax on individual income was slightly higher than China's.

Pyongyang would also levy an inheritance tax on foreign residents even if the foreigner inherited the assets outside North Korean territory. This provision is apparently aimed at non-citizens who are Koreans resident in Japan and have returned to North Korea but still have assets in Japan, the officials said.

But it could also affect South Koreans who do business in the North, the officials said.

The new North Korean law also appears to contain potential problems if South and North Korea manage to work out agreements, including ones on investment guarantee or avoidance of double taxation, for the new North Korean law says that any foreign enterprise or individual in North Korea should abide by tax agreements reached between North Korea and his country.

Despite the latest move, North Korea will have to modify its domestic laws to make them compatible to the new taxation and other laws on foreign investment, if it wants to induce foreign capital and technological expertise.

But what is most important and urgent for the North Korean Government to do is to dispel any suspicion and mistrust on the part of possible foreign investors over North Korea's political environment, the officials said.

## DPRK Goods 'Affirmatively Assessed' in South

*SK0702130493 Seoul HANGYORE SINMUN in Korean 7 Feb 93 p 6*

[By reporter An Chae-sung]

[Text] Some companies including the Lotte Trading Company and Kumho Incorporated imported about 1,000 tons of walnuts from North Korea in January to mark the occasion of 15 January on the lunar calendar. These walnuts, however, are currently at Pusan and Inchon customs because the Office of Customs Administration asked the Ministry of the Board of National Unification to examine whether these walnuts are truly from North Korea.

South Korean consumers are familiar with North Korean products to the extent that walnuts to mark the occasion of 15 January have been imported.

The Ministry of Trade and Industry reports that North Korean products were first imported in October 1988. From that time until 1992, 946 cases of imports from North Korea have occurred amounting to $335.5 million. Each year the amount of imported products has increased rapidly. For example in 1992, 358 cases of imports from North Korea amounting to $198.84 million occurred.

The North Korean products that appeal to South Korean consumers are agricultural, forestry, and fishery products such as Alaska pollacks, mushrooms, and acorns. Consumer goods such as purses, pants, and shirts also appeal to South Koreans. Domestic businesses and consumers assessed the quality of these products as being relatively good.

To commemorate the 13th anniversary of its founding, the Lotte Department Store imported 25,000 North Korean pants and shirts via Beijing in early November 1992. During the six-day festivities, all articles were sold. Before selling these products, the Lotte Department Store's inspection laboratory carried out a quality test. The results indicated the degree of fastness after washing the material was superior, and there was not much shrinkage. The price of the pants and shirts was 12,000 won each. These products were somewhat cheaper than clothes sold at discount stores.

The Sinsegye department store imported through the Hong Kong branch of North Korea's Mt. Kumgang Trade Developing Corporation, North Korean Kaesong ginseng wine and blueberry wine for the New Year. One bottle of blueberry wine and two bottles of ginseng wine sold for 60,000 won, and two bottles of Kaesong ginseng wine sold for 31,000 won. These products were sold out in six days. An employee of the Sinsegye department store said: "The ginseng wine is about twice as expensive as the South Korean product. They were selling, however, like hotcakes because the people felt some kind of nostalgia for their North Korean hometown. Perhaps some were just curious."

The companies that imported the North Korean products and the consumers all affirmatively assessed these products.

This kind of assessment is also coming from manufacturing businesses that provided raw materials and processed products on commission in North Korea, thus bringing the products into South Korea.

In February 1992, the Sinsong Trading Company provided raw materials to North Korea and processed 180,000 workclothes on commission. Currently workers of Daewoo Shipbuilding and Daewoo Heavy Industry are wearing them. The response has been very good. Chong Pyong-un, deputy manager of the Sinsong Trading Company said: "North Korea was in charge of only processing after being provided the raw materials and work method. Therefore, it is now too early to assess the quality of North Korean products with just this product. Work that was done with machines was inadequate because the machines were outdated, but needlework was carried out carefully."

In early 1992 the Kolon Trading Company processed 22,800 purses on commission from North Korea. They were sold at Kolon sports shops and received a positive response from consumers. Kim Chong- il, section chief of the Kolon Trading Company, said: "Since the products were simple products, such as bags for elementary school students and knapsacks, they were relatively strong and well made."

O Kwang-song, deputy manager of Daewoo Incorporated who visited North Korea in October 1992 as a member of the Nampo investigation team, revealed: "North Korea's machines and equipment are outdated, but the skill of the North Korean workers is superior. If the South side provides machines and equipment and technological guidance, then North Korean workers will be able to make products meeting the standards of the South side in three to six months."

## DPRK Explores Trade Possibilities With West

*SK0902101093 Seoul CHUNGANG ILBO in Korean 8 Feb 93 p 11*

[Text] North Korea is earnest in its unprecedented omnidirectional diplomacy. This is significant.

Recently North Korea has frequently, concurrently sent its party and government delegations to the Middle East, West Europe, South America, and Southeast Asia. They are proposing economic cooperation to the countries they visit in areas such as oil, food supply, and investment. They are making efforts to advertise North Korea's position on the nuclear issue, as well.

North Korea is accelerating the diversification of its cooperative relations with oil-producing countries. At the beginning of this year, it established ambassador-level diplomatic relations with Qatar and consul-level diplomatic relations with Yemen. It signed an economic treaty with Libya. At the end of last year, it attempted to import from Canada and other nations 600,000-1,000,000 tonnes of food to meet shortages.

It is significant that North Korea is trying to improve relations with Western countries including Austria and the Netherlands which it has previously paid little attention to. North Korea now invites their investment.

Such diplomatic activities are regarded as North Korea's desperate measures to avoid its energy and food crisis and to break through economic difficulties with 'the second best' fund and technology under the circumstances that Russia and China are demanding that North Korea pay for crude oil with hard currency.

It also seems that by doing so, North Korea has tried to evade diplomatic isolation resulting in a failure in its 'southward policy' that includes establishing diplomatic relations with the United States and Japan. This policy has been deadlocked by the nuclear issue. At the same time, North Korea seems to expect reinforcements from diplomatic ties with the two countries.

In general, however, North Korean delegations' frequent, concurrent visits to foreign countries have economic goals in mind rather than political ones.

What is most noteworthy in North Korea's diplomatic movements during the last two months is that it has strengthened cooperation with oil-producing countries.

In December 1992, North Korea sent to Iran a delegation of the State Administration Council [SAC] led by Kim Tal-hyon, vice premier and then chairman of the external economic committee. Since then, North Korea has been rushing the establishment of diplomatic relations with oil-producing countries and has been frequently visiting those countries.

Yi Song-tae, current chairman of the external economic committee, signed an economic treaty with Libya on 4 January. North Korea concluded a consular agreement with Yemen on 9 February, and established ambassador-level diplomatic relations with Qatar on 11 February.

Beginning on 14 February, delegations of the party's international department, the Supreme People's Assembly [SPA], and the Foreign Ministry of the SAC left Pyongyang for Brazil and Peru in South America, Iran and Syria in the Middle East, and Algeria and Egypt in Africa. Judging from this, North Korea intends to solve the imminent energy problems by importing petroleum.

North Korea lost its source of crude oil supply since late 1992 when Russia and China demanded that North Korea settle its trade accounts with them with hard currency. From that time on, it has made all efforts to secure alternate sources of energy. For example, it has been displaying a large-scale movement to increase domestic coal production.

In foreign relations, China's energy delegation visited Pyongyang and an economic treaty was signed between North Korea and Bangladesh Energy and Mineral Resources Minister in December of 1992.

Last January, North Korea adopted with the UN Development Program [UNDP] an 'energy agreement' that the UNDP provide North Korea with a fund of $2.7 million, separate from the fund for the Tumen River development, for reinforcing facilities of the Pyongyang thermal power plant and for modernizing North Korea's electric power supply system.

According to authorities and experts, in light of North Korea's insufficient foreign currency and the impending international situation around the Middle East and Africa, there are possibilities that their negotiations included secret trade through a barter system to exchange crude oil for weapons and minerals.

Three North Korean high-level diplomatic envoys, including Vice Premier Kim Tal-hyon and SPA Chairman Yang Hyong-sop, have recently visited Iran one by one, and Kim Il-song invited the Iranian Revolution's Guards Corps to Pyongyang. This is extremely noteworthy.

West Europe is another area that North Korea is focusing on.

A party delegation led by Kim Yong-sun, director of international department of the party, visited Portugal, Italy, and Austria in December 1992. Kim Kye-sun, roving ambassador of the Foreign Ministry, left Pyongyang for Germany and the Netherlands on 26 January.

In particular, (Jean Carlo), secretary general of the Italian Research Institute for International Relations, visited Kim Il-song on 11 January. This supports the rumor that North Korea and Italy will soon establish diplomatic relations.

Prior to this, Vice Foreign Minister Cho Song-pom visited Denmark and Switzerland.

It has been revealed that these diplomatic delegations unanimously explained North Korea's laws on foreigners' investment that was announced last October and asked the countries to invest in the Najin-Sonbong economic zone, and in producing goods with North Korean labor.

North Korea's approach to West Europe seems to be an attempt to create a favorable atmosphere for establishing diplomatic relations with the United States and Japan as well as to diversify channels for external economic cooperation.

In addition, North Korea is concentrating its efforts on diplomacy with Taiwan, Thailand, and Malaysia in order to make these countries a base for its economic cooperation with Southeast Asia. These prospects, however, are not so bright.

North Korea will likely promote economic cooperation with South Korea, the United States, and Japan and the establishment of diplomatic relations with these countries when obstacles such as the nuclear issue and the Team Spirit exercise are removed. How this develops remains the focus of the people's interest.

## Editorials React to U.S. Defense Spending Cuts

### Cuts Deserve 'Korean Concern'

*SK0902023893 Seoul THE KOREA TIMES in English 9 Feb 93 p 6*

[Editorial: "US Defense Spending Cuts"]

[Text] The Clinton administration's plan to reduce U.S. defense spending by $60 billion over the next five years deserves particular Korean concern. In fiscal year 1994, $14 billion will be slashed from the original volume of $270 billion.

The planned cut will affect both military manpower and equipment supplies. Reports have it that during the five years, American forces will be reduced by 300,000 men to 1.4 million while troops overseas will also be cut by 375,000. We are worried because such a plan will have a vital impact on this country whose defense needs a continued American military presence.

We understand that the U.S. forces cut is designed to reduce enormous deficits in federal budgets and to stimulate economic recovery, seeing that it is unnecessary to maintain the present U.S. military strength in the post-Cold War era brought on by the collapse of communism in Europe. According to wire news reports received up to this point, American forces in Europe are now planned to be reduced from 180,000 to about 100,000 men and women by 1996.

There have been no reports as yet about any plan to reduce U.S. troops in Korea and other parts of Asia. Originally, the United States planned to reduce its forces here by 6,500 men to the level of 320,000 by 1995, after pulling out 7,000 by 1992. But the additional reduction plan has been slowed by the failure of North Korea to clear away not only South Korean but also international suspicion that Pyongyang is persistently continuing its nuclear weapons program.

Now our immediate concern is whether the proposed U.S. military spending reduction will have any effect on Seoul's share in the costs of stationing American forces here. The Korean share, on a steady increase in recent years, has now been raised to $220 million this year, up 22 percent from the year before, in line with an agreement to raise the Korean portion to a third of total "wonbase costs" by 1995.

What must be emphasized is the vital need for the continued presence of American forces here and in other parts of Northeast Asia to ensure regional stability in this transitional period to a new world order. At the same time, our government is asked to make every effort to prevent the U.S. military reduction program from affecting our defense posture and cost burden.

### Link to Asian Security Viewed

*SK0902103093 Seoul THE KOREA HERALD in English 9 Feb 93 p 6*

[Editorial: "U.S. Defense Budget Cuts"]

[Text] The state of military security in Asia and the Pacific may suffer significant changes with the advent of the Clinton administration in Washington. The changes will be notable in the reduction of the U.S. military presence in the region and the looming possibility of a new arms race in an attempt to fill the vacuum of power and find a new base of security in the wake of the end of the Cold War.

These developments are not limited to Asia but also involve the Middle East and Europe. Asia is likely to emerge as a focal point together with the Eastern Europe region which is currently engulfed in ethnic conflicts. Legacies of the Cold War still persist in this part of the world while most of the troubles elsewhere are of more recent evolution.

Pentagon and defense industry sources said last week that President is considering a cut of $8.5 billion in the military budget for the next fiscal year. To achieve the savings Clinton promised during the campaign, the military would have to make additional cuts in personnel and operation and maintenance accounts for its services. Already, former President George Bush had initiated troop reductions in many areas but he put the planned phaseout on hold in Korea because of North Korea's suspicious program of nuclear development.

The picture of budgetary slashes in Washington's defense spending is not yet clear. As far as Korea is concerned, the probability is that the United States will retain its troop presence largely at the present level and ask the host country to bear a greater share of the upkeep.

Despite the budgetary of worldwide detente, the security perspective of East Asia is full of uncertainties. Japan has begun to assert itself again in the international community by participating in the peacekeeping operations of the United Nations and by seeking to become a permanent member of the Security Council. A heightened military role of Japan, accompanied by its move to scrap its peace constitution, generates misgivings about its future course.

Another concern is caused by the brisk sales of Russian weapons as Moscow tries to rescue its shaky economy. The leftover arsenals of the former military giant are finding their way into many nations—China, India, Pakistan, Malaysia, the Philippines, Iraq, Jordan, Egypt and Israel. China in particular appears bent on acquiring sophisticated weapons like MIG-31s, Su-27s, missiles and an aircraft carrier. The massive military sales of Russia may touch off a fresh arms race among the contending countries in Asia and the Middle East. The increased chances of conventional warfare as a result of the increase in arms could nullify the positive effect of the Russian accord with the United States for removing strategic arms.

We agree on the necessity of continued American military presence here as a major deterrence for the time being. Washington's defense budget cut should be made in such a manner that it would not impose an undue burden upon our own scanty resources.

## Livestock Group Issues Antibeef Import Statement

*SK0902103193 Seoul THE KOREA HERALD in English 9 Feb 93 p 8*

[Text] Chiefs of livestock cooperative units across the nation yesterday issued a statement opposing any raise in Korea's beef import quota or easing of import restrictions.

In the statement, issued on the occasion of the third round of Korea-U.S. negotiations on beef to be held in Seoul from Thursday through Saturday, the members of the National Livestock Cooperatives Federation (NLCF), also urged the government to work out and make public yearly plans for ensuring the self-sufficiency rate of more than 60 percent that the government had agreed to earlier.

They called on the United States to immediately withdraw its demands for the liberalization of Korea's beef market, the expansion of import quotas and the simultaneous buy and sell system (SBS), a bidding system of importing beef products.

The statement read, "It is the wish of all the people that the production base of beef as well as rice should be protected, as shown by a nationwide campaign." About 4.5 million people participated in a drive last May to collect 1 million signatures against the opening of Korea's livestock market, the federation said.

The NLCF maintained that excessive importation of beef products has caused a sharp drop in the prices of Korean cattle and other livestock products, threatening the livelihood of about 1 million livestock growers.

The United States is expected to renew its demands for the liberalization of the Korean beef market and expansion of quotas in the forthcoming bilateral talks, the first under the new administration of U.S. President Bill Clinton.

## ROK, PRC To Cooperate in Petrochemical Sector

*SK0902061993 Seoul YONHAP in English 0545 GMT 9 Feb 93*

[Text] Seoul, Feb. 9 (YONHAP)—Korea and China agreed to set up a joint committee for cooperation in the petro-chemical industry and regularly discuss cooperative measures in talks Tuesday.

The Korean Trade and Industry Ministry and the Chinese Chemical Industry Ministry agreed to exchange information on export-import plans and on projected demand and supply of major items to promote exchanges in the chemical industry.

China expressed hope for joint ventures with Korean companies in the petrochemical sector, including establishment of aromatic compounds plants.

## Sunkyong To Take Part in PRC Telecom Project

*SK0602092693 Seoul YONHAP in English 0729 GMT 6 Feb 93*

[Text] Seoul, Feb. 6 (YONHAP)—Sunkyong Group of South Korea and Hutchison Whampoa Co. of Hong Kong are to join hands to take part in China's cordless communications project, a Sunkyong spokesman said Saturday.

China is expected to announce its plans to invite foreign investment to mobile telephone and beeper business by the year-end at the earliest as a part of its modernization program of communication industry, in pursuit since 1991, the spokesman said.

Sunkyong and Hutchison agreed to join in the project as partners late 1991.

Sunkyong will invest in northeastern China, including Shandong and Jilin Provinces, while Hutchinson covers southeastern part of the mainland, including Guangdon and Hunan Provinces.

Sunkyong Group Chairman Choe Chong-hyon made a weeklong visit to China on Sept. 28 last year in the wake of the normalization of ties between Seoul and Beijing on Aug. 24 and met with top Chinese Government officials to sound out the project, the spokesman said.

Together with Communications Ministry officials, Sunkyong is still negotiating the matter with China, he said.

China, with a population of 1.2 billion, offers a vast communications market as the telephone use rate now stands at 0.9 sets per 100 Chinese and just 73,000 people use cellular telephones, he said.

Hutchison has a 4-percent equity in Sunkyong-led consortium Taehan Telecom's second mobile telephone project here and has been running satellite communication service with China's International Trust and Investment Corp. and British C&W [Cable and Wireless] since 1990.

## Firms Compete for ROK-PRC Shipping Routes

*SK0902022793 Seoul YONHAP in English 0144 GMT 9 Feb 93*

[Text] Seoul, Feb. 9 (YONHAP)—South Korean shipping companies are competing for permission to operate sea routes between ports in South Korea and China amid growing expectations that the two countries will agree on a regular service at their second marine talks, Feb. 16-17 in Seoul, the Korea Maritime and Port Administration [KMPA] said Tuesday.

Prospects are bright for a bilateral maritime agreement as China has moved to accept the Korean proposal for equal loading. The problem of loading freight has been the most formidable obstacle to concluding the agreement. Korea demands equal loading, but China called for free competition because it has more ships.

Recently, China informally delivered its intention of accepting the Korean position, a KMPA spokesman said.

For container ships, Cho Yang Shipping Co. applied to operate Pusan-Dalian, Pusan-Tianjin and Pusan-Shanghai routes in cooperation with the Liaoning branch of the China National Foreign Trade Transportation Corp. in January, and Korea Marine Transport Co. applied for Pusan-Inchon-Dalian, Pusan-Inchon-Tianjin and Pusan-Inchon-Shanghai routes on Feb. 2.

For car ferries, Cho Yang and Halla Merchant Marine Co. applied for Inchon-Dalian and Pusan-Inchon-Shanghai routes in January and Weidong Ferry Co., which operates a car ferry between Inchon and Weihaii, applied to add Qingdao to its route in February. Heung-a Shipping Co. has applied for an Inchon-Dalian route and Korea Marine Transport Co. for a Pusan-Shanghai route.

North-east Co. has applied for a Sokcho-Hunchun route in cooperation with the Economic Planning Committee of Hunchun city. Sokcho is located on Korea's northeast coast and Hunchun is on the Tumen River.

## ROK, PRC Open Aviation Meeting in Shenzhen

*SK0802131593 Seoul YONHAP in English 1115 GMT 8 Feb 93*

[Text] Seoul, Feb. 8 (YONHAP)—An unofficial aviation meeting between South Korea and China opened at Shenzhen, China, on Monday behind closed doors, a diplomatic source here said.

The two-day preliminary meeting is aimed at determining the time of a formal Korea-China aviation meeting to conclude an aviation agreement and open regular air routes between the two countries.

The Shenzhen meeting was attended by Yun Hae-chung, Foreign Ministry's deputy director-general for Asian Affairs and two others from Korea.

China was represented by Lu Ruiling, international affairs president of the Civil Aviation Administration of China.

The source said that if the preliminary meeting agrees on pending issues, the two countries would hold formal aviation talks in March and open regular air routes between them within the first half of this year.

Following diplomatic normalization in last August, the two countries held two rounds of aviation talks in October and December but failed to iron out their difference on the issues of determining the point of air control transfer and the number of airlines to be put to Korea-China routes.

Presently Korean and Chinese airlines operate chartered planes almost regularly between Seoul and Shanghai and between Seoul and Tianjin.

## Ministry: No Decision on Japan UNSC-Seat Bid

*SK0802093493 Seoul YONHAP in English 0824 GMT 8 Feb 93*

[Text] Seoul, Feb. 8 (YONHAP)—It is too early for South Korea to make any comment in favor of, or against, Japan's attempts to become a permanent member of the U.N. Security Council [UNSC], but Seoul hopes Tokyo will fully resolve its past aggression on neighboring countries before seeking the position, Foreign Ministry officials said Monday.

"We have not even decided whether to respond to the U.N. resolution on UNSC expansion," said an official asking, not to be named. "It is far too early to comment on specific countries who are seeking membership."

The remarks came in response to a New York-datelined story in the vernacular daily the TONG-A ILBO that South Korea has decided to support Japan's attempts to gain a permanent seat on the security council.

The United Nations adopted a resolution, titled "Question of Equitable Representation on and Increase in the Membership of the Security Council," last December asking all member countries to submit opinions to the U.N. secretary-general on Security Council expansion by June 30.

"There is no clear direction in the discussion," the official said. "There are still too many questions on what form the expansion will take.

"We have to consider this with a whole picture in mind, not who is applying. We will hold on our official position about the council expansion until the more basic questions are answered."

Another ministry official, while admitting that Japan has already aroused significant international support for membership, said the Seoul government wanted to remind Tokyo to clear its past before seeking such political power.

"We may not stop Japan at the door, but we plan to send this message," the official said.

Japan held Korea under colonial rule from 1910 to 1945.

The UNSC had five permanent seats and six non-permanent ones when the United Nations was first formed in 1945 with 51 members.

It was increased to 10 non-permanent seats in 1965, when U.N. members increased to 117. The global body now has 180 members, and Japan and Germany are working to aquire permanent seats.

U.S. Secretary of State Warren Christopher said in late January that the United States supported efforts by the two countries to become permanent members of the Security Council.

## Official Discusses SRV Foreign Minister's Visit

*SK0902024093 Seoul THE KOREA TIMES in English 9 Feb 93 p 2*

[By staff reporter Chae Hui-muk]

[Text] Vietnam seems to have chosen South Korea as the ideal partner for the development of its economy devastated by a 30-year war, a Foreign Ministry official said.

Vietnamese Foreign Minister Nguyen Manh Cam expressed his sincere hope that South Korea would participate in Vietnamese economic development, said the official who escorted the foreign minister during his five-day trip here Feb. 1-5.

The total destruction of infrastructure during the 30-year war is the biggest hindrance to the development of the Vietnamese economy, he quoted Cam as saying.

South Korea successfully developed its economy from the ashes of the Korean War despite scarce natural resources. Now Vietnam is in a similar situation to that of South Korea in the 1960s, but Vietnam has abundant natural resources, including coal, iron ore and oil, unlike Korea, Cam was quoted as saying.

Vietnamese people are very diligent like the Koreans, who were vital to the successful economic achievement of the past three decades, Cam told Korean officials and businessmen he met.

"We have selected South Korea as the ideal partner, not advanced European countries, Japan or the United States. I am sure that Korea made many mistakes in the development process. We hope to learn even from mistakes so as not to repeat them." Cam was reported to have said.

Cam, 64, who has spent much of his life as a diplomat in the former Soviet Union, Hungary, Iran and West Germany, is very erudite and modest.

Vietnamese government leaders seemed to be very confident of their people's support. "Our people firmly believe in the government, as we have never done anything against the people and have not become corrupted," Cam was quoted as saying.

In particular, concerning the participation of Korean soldiers in the Vietnam War, Cam said that his people would not look "backward" but "forward," the ministry official said.

"We have experienced too many wars in our history. We fought invaders to the last and defeated them all, including France, China and the United States. Once war ends and the counterpart proposes conciliation, we become friends," Cam was quoted as saying.

In this connection, Cam emphasized economic cooperation, hoping to bury the unpleasant past in history, the official said.

Cam looked around the oil refining plants in Ulsan and steel mills in Pohang with astonishment. Korea has developed oil refining and iron industries. He seemed amazed at the development Korea achieved despite the lack of iron ore and oil resources.

"If Korea provides capital and technology to us, we will be able to develop such industries rapidly as we have abundant natural resources and labor," Cam said according to the ministry official. A high 60 percent of the total population is in the 15-30 age group and are well trained and diligent.

He was impressed by high-ranking officials at Pohang Iron and Steel Co. who said that advanced nations can only give technology and capital, but that Koreans are able to provide training and friendship without cost.

In response to complaints that Yukong failed to win the bidding in oil bed drilling in Vietnamese sea, Cam said Korea needs not be disappointed. Vietnam has many oil beds. Korea will get a chance in the near future.

At a dinner hosted by Daewoo Group chairman Kim U-chung, Cam also expressed his hope that Korea would transplant aged sewing machines and other light industrial equipment which have already lost international competition to Vietnam.

But he repeatedly reminded that the cooperation should be made for "mutual benefit." If the cooperation is one-sided, the relationship will not last long, Cam was quoted as saying. "We have no capital to pay with but we have natural resources."

Cam was very honest and sincere in seeking economic cooperation, the ministry official said.

Vietnamese Prime Minister Vo Van Kiet also hopes to visit Seoul at an early date to look around Korean economy, the official said.

The official said, "Koreans feel sorry for Vietnam. So we should honestly cooperate with it. I'm sure that Vietnam will become a powerful nation in Asia in the near future."

## Company To Insure Payment Exports to SRV

*SK0802085593 Seoul YONHAP in English 0751 GMT 8 Feb 93*

[Text] Seoul, Feb. 8 (YONHAP)—Korea Export Insurance Corp. [KEIC] said Monday that it would take over export insurance for long- and mid-term deferred payment exports to Vietnam.

KEIC will assume insurance for Hyundai Corp.'s export on deferred payment term of silk yarn-manufacturing equipment at 3 million U.S. dollars and six other export contracts, now under negotiation, worth 280 million dollars, corporation officials said.

It is also to actively assume overseas investment insurance to guarantee stock investment and loans to Vietnam.

## Auto Exports Increase to Europe, Middle East

*SK0902022893 Seoul YONHAP in English 0106 GMT 9 Feb 93*

[Text] Seoul, Feb. 9 (YONHAP)—While South Korea had trouble selling its automobiles in North America last year, shipments to Western Europe, the Middle East, and Latin America turned in eye-catching growth, the Korea Automobile Manufacturers Association (KAMA) said Tuesday.

The United States and Canada were still the biggest and second biggest markets, respectively, in 1992, but exports to the United States plunged 34.3 percent to 673 million U.S. dollars over a year earlier and exports to Canada shrank 41.1 percent to 180 million dollars.

With a 317-percent jump to 229 million dollars, Germany sprang up from Korea's ninth largest market in 1991 to third last year.

Iran, which had hardly attracted Korean automakers before, was sixth greatest importer of Korean cars last year with 87 million dollars.

Chile, 20th biggest importer of Korean vehicles in 1991, jumped to 10th last year with exports growing 367 percent to 70 million dollars.

In fourth place, Taiwan imported 111 million dollars worth of Korean cars, up 16.7 percent, followed by Australia with 90 million dollars of Korean auto imports, up 39.8 percent, in fifth place.

Britain was seventh with shipments rising 54.3 percent to 93 million dollars worth.

Italy made eighth for buying the greatest number of cars, vans, and buses, with its imports reaching 101 million dollars, up 68.5 percent.

Greece ranked ninth with Korea's exports growing 23.2 percent to 68 million dollars.

Meanwhile, a private economic research institute predicted that Korea's automobile exports would rise 16.2 percent to 530,000 this year from 1992.

Exports by Korea's seven major automakers—Hyundai Motor Co., Kia Motors Corp., Daewoo Motor Co., Asia Motors Co., Ssangyong Motors Co., Hyundai Precision and Industry Co., and Daewoo Shipbuilding and Heavy Machinery Ltd.—will total 3.39 billion dollars this year, Daewoo Economic Research Institute said.

Korea exported 456,000 vehicles worth 2.83 billion dollars last year, up 16.9 percent in number and up 20.7 percent in value over a year earlier, because of its sophisticated models and popular vans and buses, Daewoo said.

## Burma

### Delegates Hold 5th Day of Panel Discussions

*BK0802154793 Rangoon Burma Television Network in Burmese 1330 GMT 8 Feb 93*

[Text] The delegates representing political parties, workers, public service personnel, and special invitees held panel discussions on writing a report on suggestions made by delegates concerning the chapter headings to be included in drawing up the national constitution. They continued their discussions at their respective meeting halls in the Kyaikkasan Grounds, Yangon [Rangoon].

The panel discussion of the representatives of political parties was held at 1000 in Meeting Hall No. 5. Daw May Than Lwin, alternate chairman and a representative of Shan Nationalities League for Democracy [SNLD], presided over the meeting. U Zeya acted as secretary for the meeting. At the meeting, discussions were held and suggestions were made by U Aung Shwe, National League for Democracy; U San Aik Paung, SNLD; U Tun Yi, National Unity Party; U Maung Ngwe, Union Pa-O National Organization; and U Phu Gwansi, Kokang Democracy and Unity Party. The meeting decided to continue the discussions on 9 February and the meeting ended at 1450.

The panel discussion of the representatives of workers was held at 1230 in Meeting Hall No. 6. U Bo Myint, alternate chairman and representative from Monywa Township, Sagaing Division, presided over the discussion. U Kyaw Saw Naing acted as secretary of the meeting. Dr. Myo Thant Tin, Dala Township, Yangon Division; and U Sun Lun Naw, Myitkyina Township, Kachin State, discussed and made suggestions on chapter headings to be included in drawing up the constitution. Suggestions were also made by U Nyein Maung, Lashoi Township, Northern Shan State; U Thinn Kyu, Syriam Township, Yangon Division; U Tun Hla, Shwepyitha Township, Yangon Division; U Myint U, Moulmein Township, Mon State; U Than Myint, South Dagon Myothit Township, Yangon Division; U Kyaw Nyunt alias U Nyunt Lwin, Loikaw Township, Kayah State; and U Shwe, Syriam Township, Yangon Division. The meeting ended at 1350.

The panel discussion of the representatives of public service personnel was held at 1000 in Meeting Hall No. 8. Alternate Chairman U Khin Maung Htu, Ministry of Transportation, presided over the discussion. U Hla Win acted as secretary of the meeting. Discussions were held and suggestions were made by Commander Thein Ngwe, Ministry of Defense; U Kyaw Khine, Ministry of Rail Transport; Colonel Win Hlaing, Ministry of Defense; U Thaung Shwe, Ministry of Rail Transport; Daw Khin Than Tin, Office of the Auditor General; U Ant Maung, Ministry of Religious Affairs; U Soe Lwin, Ministry of Construction; U Kyi Aye, Ministry of Planning and Finance; U Aung Min, Yangon City Development Committee; U Aung Kyi, Ministry of Energy; U Soe Win, Ministry of Livestock Breeding and Fisheries; and Commander Tin U, Ministry of Defense.

Later, Lieutenant Colonel Tin Kha, Lt. Col. Sein Win, Lt. Col. Aung Kyi Tun, Ministry of Defense; U Kyaw Win, Ministry of Culture; U Soe Myint, Supreme Court; Dr. Kyaw Win, Ministry of Health; U Soe Lwin, Ministry Of Construction; U Aung Min, Yangon City Development Committee; U Maung Maung Than, Ministry of Education; and U San Aung, Ministry of Energy, were selected and appointed by the majority of the delegates representing the public service personnel to write a report concerning the chapter headings. The meeting decided to continue discussions on 9 February. The meeting ended at 1515.

The panel discussion of special invitees was held at 1300 in Meeting Hall No. 2. Alternate Chairman U Sai Aung Tun, former headmaster, presided over the discussion. U Soe Lwin acted as secretary of the meeting. Daw Yin Yin and Saw Monyin, writers; U Ko, former ambassador; and Daw Myint Than, member of the Burmese Language Association, discussed the chapter headings that should be included in drawing up the constitution. They also made suggestions. The meeting decided to continue discussions on 9 February. The meeting ended at 1530.

### 429 Rohingyas Return; 20,249 Repatriated So Far

*BK0802142093 Rangoon Radio Burma in Burmese 1330 GMT 8 Feb 93*

[Text] In accordance with the bilateral agreement reached between the two countries on repatriating those who illegally left Myanmar [Burma] for Bangladesh, three delegations led by camp officials from the country on the other side [Bangladesh] transferred 429 returnees—223 males and 206 females—from 96 households to our three reception centers on 7 February.

It has been learned that 20,249 returnees—9,925 males and 10,324 females—from 4,428 households have been repatriated since 22 September 1992.

## Brunei, Malaysia & Singapore

## Malaysia

### USNO Denies Report on Cooperation With PBS

*BK0602152993 Kuala Lumpur Radio Malaysia Network in Malay 1500 GMT 6 Feb 93*

[Text] USNO [United Sabah National Organization] today denied press reports that the party would cooperate with the Sabah United Party [PBS] to set up a coalition government in Sabah. Its president, Datuk Amar Taha Tun Mustapha, said he was unaware of a news report published today that senior USNO and PBS leaders had met to discuss the planned setting up of a coalition government. In Kuala Lumpur, Prime Minister Datuk Sri Dr. Mahathir, who is concurrently National

Front [BN] chairman, said USNO would be expelled from the BN if the party teamed up with PBS.

### Sabah Chief Minister Confirms Talks With USNO

*BK0802092393 Kuala Lumpur NEW SUNDAY TIMES in English 7 Feb 93 pp 1, 2*

[Excerpt] Kota Kinabalu, Sat.—Sabah Chief Minister Datuk Sri Joseph Pairin Kitingan today confirmed that PBS [Sabah United Party] and USNO [United Sabah National Organization] leaders had held talks with a view to form a coalition state government.

"We (PBS) have always been working together with USNO, that is why we are on good terms, especially for Sabah's interests," he said. He was responding to reporters' questions on the NEW STRAITS TIMES report today which stated that PBS leaders and representatives of the rump USNO had been meeting on the possibility of forming a coalition state government.

The report said that USNO was about to join hands with PBS on condition that a ministerial post, two assistant minister posts, and seven ministry political secretary posts were given to USNO.

Pairin told reporters after opening a Shell career exhibition here that he was in favour of cooperation and said he believed that a coalition would be the best solution to the political situation in the state now.

Sources said the latest move by USNO had a lot to do with the poor health of Tun Datu Mustapha Datu Harun.

They said a new political alignment headed by Mustapha's son was taking shape in the true style of Sabah's chaotic politics. [passage omitted]

### Ghafar Unworried Over Possible USNO Withdrawal

*BK0802135793 Kuala Lumpur Radio Malaysia Network in English 1300 GMT 8 Feb 93*

[Text] Sabah UMNO's [United Malays National Organization's] position will be not jeopardized if USNO [United Sabah National Organization] leaves the Barisan Nasional [BN, National Front]. Deputy Prime Minister Encik [Mr.] Ghafar Baba says UMNO will not (?force) USNO to remain in the BN and it is up to the Sabah-based party to make a choice. He said this to reporters after opening the 11th conference of the Afro-Asian Rural Reconstruction Organization in Kuala Lumpur. Encik Ghafar stressed that BN is not greedy for power but only wishes to implement projects for the people. He was confident that UMNO would continue to expand in Sabah and its members would increase. UMNO at present has 240,000 members, more than that of USNO.

### Mauritius Premier Arrives for Visit 8 Feb

*BK0802054693 Kuala Lumpur BERNAMA in English 0453 GMT 8 Feb 93*

[Text] Kuala Lumpur, Feb 8 (OANA/BERNAMA)—Mauritius Prime Minister Sir Anerood Jugnauth arrived here Monday to begin a four-day official visit to Malaysia.

He was accompanied by his wife Lady Sarojini and the Indian Ocean island nation's civil service chief and Secretary of Home Affairs Sir Bhinod Bacha.

Prime Minister, Dr. Mahathir Mohamed and his wife, Dr. Siti Hasmah Mohd. Ali were at the airport to belcome Jugnauth.

Jugnauth and his delegation then proceeded to Parliament Square for the official welcoming ceremony.

In the afternoon, Jugnauth and his wife will have an audience with the Yang Dipertuan Agong (the king) Sultan Azlan Shah and Raja Permaisuri Agong (the queen) Tuanku Bainun at the national palace.

He is also scheduled to call on Prime Minister Datuk Sri Dr. Mahathir Mohamed at the latter's office before holding bilateral discussions.

While here he will also attend a joint briefing by the economic planning (EPU) and Malaysian Administration Management Modernisation and Planning Unit (MAMPU) on Malaysia's economic development and civil service reforms at the operations room of the Prime Minister's Department.

### Government 'Firm' on Constitutional Amendments

*BK0802093093 Kuala Lumpur NEW SUNDAY TIMES in English 7 Feb 93 p 1*

[By Syed Abu Bakar and Jeffrey Ramayah]

[Text] Kuala Lumpur, Sat.—The government will be firm in its stand on the amendments to the Constitution to remove the rulers' immunity in their personal capacity, Prime Minister Datuk Sri Dr. Mahathir Mohamed said today.

He said the government was confident that in the final analysis, the Constitution (Amendment) Bill 1993 would be approved and enforced.

"We welcome the confidence expressed by the Sultan of Pahang that the issue of the amendments to the Constitution can be resolved at the two-day Conference of Rulers which begins on Wednesday.

"We have to wait for the outcome of the conference," he told reporters after chairing the UMNO [United Malays National Organization] Supreme Council meeting here.

Dr. Mahathir, who is also UMNO president, said he would not be attending the 159th Conference of Rulers as he would have to attend functions held in conjunction with the four-day official visit of Mauritian Prime Minister Sir Anerood Jugnauth, which starts on Monday.

He said Deputy Prime Minister Ghafar Baba would attend the Conference.

The Sultan of Pahang said yesterday he believed that the confrontation between the rulers and the government could be settled at the Conference to be chaired by him.

Dr. Mahathir said there had been no request from the rulers for another discussion between them and the government.

"I have not received any telephone calls or letters," he said.

He said the Supreme Council discussed the latest developments on the bill which was approved by both houses of Parliament last month.

"We feel there has not been any significant development, but our stand on the issue remains the same as we are confident that the bill will finally be approved," he said.

Dr. Mahathir said the government would continue to abide by the provisions of the law and the Constitution and would uphold the constitutional monarchy system as long as it was in power.

"But we cannot give assurance for future governments which are not administered by the Barisan Nasional [National Front]," he added.

Dr. Mahathir said it was wrong for anyone to say that the issue of the amendments to the Constitution might create disunity among the Malays.

"History has shown that the Malays were divided by opposition political parties which cashed in on specific issues to enhance their political positions," he said.

Dr. Mahathir said in all past dealings with the rulers, the government had accommodated their demands.

"We tried out best to be civil and moderate, but that did not seem to work.

"We want to give them their rights, but we do not want them to do what they are not supposed to do," he said.

He said the practice of the prime minister briefing the king on the weekly meetings of the cabinet was not included in the laws of the country.

"The first prime minister of this country, the late Tunku Abdul Rahman, decided that he would brief the king whenever the cabinet met.

"It has become a tradition.

"The king was given a copy of all cabinet papers and, therefore, he was not ignorant of what was discussed at the cabinet meetings.

"If the king needs to discuss a specific matter, he can request that I see him and I will see him," he said.

On the move by a few rulers to visit the people to explain their refusal to give assent to the amendments, Dr. Mahathir said their status was the same as the people and they were free to do so.

"But if they want to engage in politics and campaign against the government, then we will also campaign and their image will be affected," he said.

### India Offers To Train Pilots on Russian Jets

*BK0602074993 Delhi Doordarshan Television Network in English 1615 GMT 5 Feb 93*

[Text] Malaysia says there is a good scope for its investments in labor-intensive industries in India. This was conveyed by the Malaysian prime minister, Dr. Mahathir, to defense minister, Mr. Sharad Pawar who called on him in Kuala Lumpur yesterday. Dr. Mahathir expressed hope that the post-Ayodhya developments will not affect the pace of economic reforms in India. Mr. Pawar has offered to train Malaysian pilots on the Russian-built MiG-29 jet fighters which Malaysia is negotiating to buy from Russia. The two leaders also discussed bilateral defense cooperation.

## Singapore

### 1992 Inflation Rate Drops to 2.3 Percent

*BK0502140093 Singapore THE STRAITS TIMES in English 29 Jan 93 p 37*

[Text] Singapore's inflation as measured by the Consumer Price Index (CPI) rose by 2.3 percent last year, down from the 3.4 percent rate in the previous two years.

This was due to cheaper imported products following a stronger Singapore dollar as well as lower oil prices, said the Department of Statistics.

Food prices, which make up 40 percent of the index, rose by 1.3 percent, pushed up mainly by a 4.6-percent jump in sea food prices.

Among the CPI components, the highest price rise of 3.5 percent was for miscellaneous items due mainly to dearer cigarettes, cinema tickets, foreign maid levy, and education fees.

Next highest was transport and communication costs which rose by a much slower 2.9 percent compared to the 7 percent in 1991 and the 7.8 percent in 1990. Higher car prices were the main contributor.

The 2.1 percent rise in housing costs was slightly higher than the 1.8 percent in 1991 but still much lower than the 5.7 percent in 1990.

More expensive ready-made garments led to a higher 2.2 percent rise in clothing prices than the 1.7 percent rise in 1991.

For the month of December, prices edged up 0.1 percent over the previous month due mainly to a 0.5-percent climb in food prices.

Compared to the same month in the previous year, prices in December were 1.8 percent higher, attributable primarily to a 3.6- percent rise in housing costs and a 3.7 percent rise in costs of miscellaneous items.

## Lee Kuan Yew: Khmer Rouge Part of Peace Process

*BK0702014093 Bangkok BANGKOK POST in English 7 Feb 93 p 2*

[Text] Senior Minister Lee Kuan Yew has expressed concern about the future of peace in Cambodia if the Khmer Rouge stay out of the election process, Foreign Minister Prasong Sunsiri said here yesterday.

"His excellency disagrees with the exclusion of the Khmer Rouge from the peace process," Squadron Leader Prasong said.

He stressed that problems could arise if the group refused to join the legislative elections, Sqd Ldr Prasong added.

The Foreign Minister made the disclosure after an hour-long meeting with Mr Lee.

As prime minister of Singapore throughout most of the Cambodian war years (1979-1991), Mr Lee "expressed useful points of view," Sqn Ldr Prasong noted.

Mr Lee stressed the need for ASEAN to help establish stability and lasting peace in Cambodia after the United Nations Transitional Authority in Cambodia (UNTAC) completes its mission, Sqn Ldr Prasong said.

"I strongly agree with his remark... the United Nations should not abandon Cambodia," Sqn Ldr Prasong added.

UNTAC is mandated by the Paris Peace Agreement of October 23, 1991 to organise "free and fair elections" in Cambodia.

But among the key players the opinion is growing that the UN should maintain a reduced presence in the country for a certain period after the elections in order to ensure a smooth transfer of power to the elected government.

The general elections have been scheduled for May 23-25.

The Khmer Rouge has refused to disarm, ignored the deadline set for political party registration and insisted on the settlement of the Vietnamese question.

But UNTAC chief Yasushi Akashi has maintained that the door should be left open for the radical Maoist faction to join the election.

According to Sqn Ldr Prasong, Mr Lee pointed out that it was unfair to view the radical group in a negative light because they played an important role in protecting Cambodian independence.

Hundreds of thousands of Cambodians are believed to have died from torture, mass executions and slavery during the Khmer Rouge's reign from 1975-1979.

Mr Lee urged ASEAN states to join hands with Japan and Australia to help bring stability to Cambodia in the postelection period, Sqn Ldr Prasong said.

Mr Lee was also concerned about who really holds the power in Cambodia at present, the Thai FM said.

Mr Lee stressed the need for the elected government of Cambodia to be invested with real powers because it faced the difficult task or restoring peace and prosperity.

He urged ASEAN to solve the present rift among Cambodian factions as any further disintegration would affect regional stability, he added.

"The senior prime minister expressed useful points of view... because he was involved with Cambodian issues since the beginning and I fully agree with his opinion," Sqn Ldr Prasong said.

The Foreign Minister said he would convey Mr Lee's advice to his ASEAN counterparts and "other friendly countries."

On bilateral issues, the two agreed on the desirability of expanding cooperation for mutual benefit.

After meeting Mr Lee, Sqn Ldr Prasong received the Thai community at the Thai embassy here.

A key issue of concern is the plight of Thai workers who complained of unfair treatment by employers.

According to the embassy's labour counsellor, Wanchai Padungsupalai, there is an estimated 50,000 Thai workers in this island republic, most of whom come from the Northeast.

Singapore is the last stop of Sqn Ldr Prasong's three-nation tour which earlier took him to Indonesia and Brunei.

Trade issues featured high in talks here on Friday. Singapore, up to 1991, was Thailand's biggest ASEAN trading partner.

In 1991, the two-way trade was valued at 160,000 million baht, with Singapore enjoying a surplus of 4,300 million baht.

Assessing his week-long trip, Sqn Ldr Prasong said he believed it would lead to greater collaboration among ASEAN states.

"From now on we will work together for the benefit of peace, stability and prosperity in the region," he said.

## Cambodia

### KR Military Activities in Late Jan Reported

*BK0702063493 Phnom Penh SPK in French 0406 GMT 7 Feb 93*

[Text] Phnom Penh 7 Feb (SPK)—On 30 January at 0500 (local time), about 20 Khmer Rouge [KR] soldiers from Division 785 attacked a convoy of Kompong Cham Province's transport service in the Prey Kong area, Cheung Prey district, damaging two vehicles.

On 28 January at 1530, 25 Pol Pot soldiers attacked a unit of government forces in Trapeang Snao hamlet, Tumnop commune, Batheay district, killing two district soldiers and wounding five villagers.

On 29 January guerrillas from Division 450 fired 11 H-107 rockets on the western part of Banteay Meanchey Province, according to a report which adds:

On 28 January, they pounded with seven DK-85 shells a sector east of UNTAC [United Nations Transitional Authority in Cambodia] post in Sereisaophoan district; another four shells fell on 4th Military Region; an H-107 rocket hit a sector with the following coordinates 47.07.02. On the same day, the guerrillas fired six H-107 rockets on the northern and southern part the sectors with the following coordinates 47.07.02, in Sereisaophoan district, Banteay Meanchey Province.

It is to be recalled that the Khmer Rouge have launched eight attacks against various regions of the province, killing two government soldiers and wounding 20 people, including a woman.

### Deserters, Police Said To Clash in Battambang

*BK0702013093 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 7 Feb 93*

[Excerpt] Reports from the Route 10-Battambang battlefield say that 800 puppet soldiers, sent by the Yuon [Vietnamese] and puppets to fight on the Route 10-Pailin battlefield, deserted for home on 1 January. These soldiers deserted in whole units. The reports say that when these deserting troops reached Phnum Sampeou, Vietnamese and puppet leaders dispatched the puppet police to ambush the deserters and force them to return to the battlefield.

However, the deserters refused; a clash ensued. Nine puppet policemen were killed or wounded; on the deserters' side, six were killed or wounded. These deserters told the puppet policemen: If you want to die, you go and fight on our behalf; we are not going to die for the one-eyed man [reference to Hun Sen who has lost one eye] and his clique and the Hanoi Yuon. [passage omitted]

### Ministry Denies Exporting Logs to SRV

*BK0502143193 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 5 Feb 93*

["Denial of the Agriculture Ministry of the State of Cambodia;" dated 5 February—read by announcer]

[Text] The Agriculture Ministry of the State of Cambodia [SOC] wishes to officially reject false and ill-intended reports published by the WASHINGTON POST and Bangkok-based THE NATION and carried by AFP on 3 February 1993 concerning the export of logs from the eastern border in Ratanakiri Province to Vietnam.

Long before the 31 December 1992 deadline for the ban on log exports decided by the Supreme National Council, the SOC side has never allowed logs to be exported either from the Kompong Som seaport or the eastern border. On the contrary, a mixed police-army team has been set up to halt the secret activities of groups of armed bandits in the exploitation of logs in the northeastern region.

The SOC's Agriculture Ministry categorically denies the aforementioned false and groundless reports.

[Dated] Phnom Penh, 5 February 1993.

### SRV Families Reportedly Settle in Koh Kong

*BK0602014393 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 5 Feb 93*

[Excerpt] According to reports from people in Koh Kong Province, since December 1992 the Yuon [Vietnamese] have sent many more hundreds of Vietnamese families by motorized vessels and boats to settle in the Trapeang Roung Canal and Thmar Bang areas. These Vietnamese have been taking over all good land in the areas. People say that the Yuon are organized into groups and bands and are directly led and administered by cadres. Furthermore, the Yuon families have guns. [passage omitted]

### Sihanouk's 6 Feb Message Appeals to Factions

*BK0902022493 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 8 Feb 93*

["6 February Message of Prince Norodom Sihanouk, head of state and chairman of the Supreme National Council"—read by announcer]

[Text] Some Cambodian armed factions have seriously violated the Paris 23 October 1991 accord and human rights by:

1. Ordering their agents or supporters to carry out politically-motivated terrorism or assassination.
2. Ordering their troops to launch attacks to seize territory from other factions or to strike at other factional armed units.

3. Ordering their troops to shell the people's villages, killing or wounding scores of Cambodians.
4. Forcing UN-repatriated Cambodian refugees to serve as soldiers or porters carrying ammunition, military equipment, and supplies to the battlefields.

I appeal to the Cambodian armed factions that have breached the Paris 23 October 1991 accord to respect and abide by the accord correctly and scrupulously and to put a radical and definitive end to terrorism, shelling that kills civilians, and violations of human rights.

## Sihanouk Leaves Beijing for Phnom Penh

*HK0902050093 Hong Kong AFP in English 0317 GMT 9 Feb 93*

[Text] Beijing, Feb 9 (AFP)—Prince Norodom Sihanouk left here Tuesday for Phnom Penh where he is to chair a meeting of Cambodia's Supreme National Council.

After the meeting Wednesday of the reconciliation body grouping the country's rival factions, Sihanouk is to welcome Thursday French President Francois Mitterrand for a two-day official visit to Cambodia.

The prince, smiling and relaxed, was seen off by Xu Duxin, China's vice- foreign minister with repsonsibility for Asia, and several foreign ambassadors. He made no statement.

He was accompanied by his wife, Princess Monique, for the flight aboard a Tupolev aircraft chartered from North Korea for the non-stop flight to Phnom Penh.

Before the legislative elections in Cambodia, scheduled for May 23 to 25, Sihanouk is expected to visit Pyongyang in April for the 81st birthday of North Korean President Kim Il-Sung, diplomatic sources said.

Sihanouk, 70, has spent about three months in Beijing undergoing medical treatment.

### To 'Fly Directly' to Phnom Penh

*BK0702021893 Bangkok THE NATION in English 7 Feb 93 p A2*

[Excerpt] Prince Norodom Sihanouk will fly directly to Phnom Penh from Beijing instead of stopping over in Bangkok as originally scheduled, according to a reliable source in Funcinpec.

However, Thai officials here said they had not been informed about the change in plans.

Prince Sihanouk will preside over a Feb 10 meeting of the Supreme National Council (SNC) in which a proposal to have the United Nations Transitional Authority in Cambodia (Untac) control a buffer zone between the Khmer Rouge and Phnom Penh force would feature.

He would also make preparations to greet French President Francois Mitterrand, scheduled to arrive in Cambodia on Feb 11 on a two-day visit.

However, Thai officials insisted that Sihanouk had planned to stop in Bangkok this month on his way back to his country after spending almost three months in Beijing undergoing medical treatment.

They said Sihanouk has discussed his planned visit with Foreign Minister Prasong Sunsiri during the latter's visit to the Chinese capital from Jan 17-20 to show Thailand's and other Asean member countries' support for his presidency.

Last month, in an interview in Beijing with a Hong Kong based news magazine, Sihanouk said Thai domination of Cambodian affairs was monstrous both in its economy and military.

The prince also said once he retook power he would negotiate the return of Cambodian territory grabbed by both Thailand and Vietnam.

The statement caused irritation to some Thai figures dealing with Cambodia, prompting them to accuse Cambodian leaders of not understanding Thailand's tireless efforts to bring peace to Cambodia. [passage omitted on background material]

## UNTAC Denies Phnom Penh Statement on Weapons

*BK0902045493 Hong Kong AFP in English 0444 GMT 9 Feb 93*

[Text] PHNOM PENH, Feb 9 (AFP)—The Phnom Penh government said Tuesday that U.N. peacekeepers had given back more than 100 weapons to soldiers who had placed their guns under United Nations supervision last year.

"We need to protect the people," senior government advisor and Deputy Minister Khieu Kanharit told a press conference.

The U.N. Transitional Authority in Cambodia (UNTAC) had originally collected about 50,000 weapons from the country's armed forces in a plan to disarm them. But when the Khmer Rouge faction refused to go along, the process stopped.

UNTAC, however, still has the weapons under lock and key in most places and Phnom Penh forces are trying to get them back.

An UNTAC spokesman denied that any weapons had been given back, but said he would look into it.

Khieu Kanharit said the weapons, including AK-47 assault rifles and machine guns, were handed back in Kandal Province outside Phnom Penh—which is supervised by the Bulgarian battalion of UNTAC—and in northern Preah Vihear, which is under Pakistani supervision.

"There are still Khmer Rouge incursions in these areas," he said. "We expect there will be some fighting in Preah Vihear. We have not any plan to make a new move in the military field."

Khieu Kanharit said the government had asked UNTAC force commander Lieutenant General John Sanderson to give back weapons elsewhere, especially in the northeastern provinces.

The government had also asked that pilots be allowed to practice flying their MiG fighters, which were also placed under U.N. supervision, he said.

"If they stay idle for more than a year, they will lose their knowledge," he said.

UNTAC had granted a request to carry out routine maintenance on the planes, as well as naval patrol boats that were put under U.N. supervision, he said.

Khieu Kanharit said any new government elected in U.N.-run polls in May would welcome military assistance from all foreign countries.

Government military spokesman General Phan Thay said his troops had captured 100 tons of ammunition, along with several heavy artillery pieces, from the Khmer Rouge in fighting last month in Kompong Thom and Siem Reap Provinces.

Another 30 tons of Khmer Rouge ammunition was destroyed, he said.

### Thai Report on Seized UN Weapons Denied

*BK0902131393 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1200 GMT 9 Feb 93*

["Communique of the spokesman of the National Defense Ministry of the State of Cambodia;" dated 9 February —read by announcer]

[Text] A REUTER report was carried by the Thai newspaper the BANGKOK POST in its 7 February 1993 issue, with a large caption "Phnom Penh Government Troops Seized Weapons From the United Nations." The report further says that in Kravanh District Town, officers of Regiment 94 transported a lot of weapons, including artillery and mortar shells, by trucks with the aim of fighting back against attacks by Khmer Rouge guerrillas in the area near Talo District seat.

This report further says that on Tuesday, 2 February [BANGKOK POST report says Thursday without specifying the date], a 10-man group of Phnom Penh government soldiers armed with light weapons and M-79's, brought weapons, which had already been checked, from the warehouse.

The National Defense Ministry of the Cambodian Government categorically rejects this report by the BANGKOK POST [passage indistinct]. The [words indistinct] of the State of Cambodia [SOC] would like to reaffirm that since the existence of the Paris agreement—that is over a year ago—the SOC army has always respected and perfectly implemented all the clauses of the agreement, and in particular has closely cooperated with UNAMIC [UN Advance Mission in Cambodia], UNTAC, and other parties to the conflict in order to solve all violations of the cease-fire and aimed at implementing the second phase of the cease-fire, which is the most important key on the military aspect of the entire agreement.

It is regrettable, however, that troops of the Party of Democratic Kampuchea [PDK]/Khmer Rouge have refused to take part in implementing the agreement and have carried out gross and barbarous military violations against troop cantonment sites, villages, communes, state authority, and people in zones administered by the SOC. This has resulted in many hundreds of people, soldiers, policemen, and militiamen killed or wounded and a lot of people's private property and public property lost.

Faced with this dangerous situation, the UNTAC chief and the commander of UNTAC forces officially declared the right to defend itself by the party subjected to attacks. The SOC National Defense Ministry solemnly denies that the Cambodian People's Armed Forces [CPAF] have committed any act to seize weapons from the United Nations. The CPAF, however, (?are determined) to carry out self-defense [words indistinct] to defend the lives and property of innocent Cambodian people as well as to defend the Paris peace agreement.

The SOC National Defense Ministry asks the BANGKOK POST to reexamine the above accusation and publicly re-disseminate the truth. The SOC National Defense Ministry considers that the dissemination of unfounded news will continue to vigorously encourage the PDK/Khmer Rouge, who are destroying the Paris peace agreement.

The SOC National Defense Ministry would like to reaffirm the SOC goodwill to continue its close cooperation with UNTAC and other parties to implement the Paris agreement, no more no less, along with exercising the right to efficiently defend itself in order to bring about peace, security, and stability for the Cambodian people to decide their destiny themselves through elections in the next few months.

[Dated] Phnom Penh, 9 February 1993

### DK Restates Conditions for General Polls

*BK0902063393 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 8 Feb 93*

[Station commentary: "The World Expresses Concern That if Insecurity, Violence, Political Terrorism, and Fighting Continue To Occur, Elections in Cambodia Will Certainly Be Affected"]

[Text] UNTAC [UN Transitional Authority in Cambodia] has recently presented to representatives of the permanent members of the UN Security Council [UNSC] in Phnom Penh a report pointing out that the

Phnom Penh faction premeditatedly carried out the current military campaign, which began in November 1992. The fighting has become increasingly intense in recent weeks. UNTAC has voiced concern that if the fighting, as well as assassinations, cruelty, and political terrorism against members of other political parties—especially the fighting in the northwestern and central parts of Cambodia—continues to occur, elections to be held in May this year will certainly be affected.

The general public has noted that the campaign of violent activities, gouging out eyes, and hacking off the heads of workers and members of the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] and Buddhist Liberal Democratic Parties has been continuously carried out by the Yuon [derogatory term for Vietnamese] and the Phnom Penh faction since 1992. As for military operations, they have been launched by the Yuon and puppets on a permanent basis and in both the dry and rainy seasons. Since the Paris 23 October 1991 accord came into existence, especially in the 14th dry season, the alliances inside and outside UNTAC have given the Yuon and puppets a free hand to strike the resistance forces with the aim of militarily eradicating the resistance forces, specifically the Democratic Kampuchea [DK] forces. However, their plan has been defeated. And since they have not been able to bully the DK forces, they have resorted to other stratagems.

Since the 15th dry season began at the end of 1992, they have continued to launch military operations to harass the resistance forces. The main objective of their military campaign is to seize territories from the resistance forces to gain control of more people, then more votes. The offensive attacks on the Battambang and Bavel battlefields, particularly, are aimed at serving their military, political, diplomatic, and economic strategies. And although their offensives have been defeated one after the other, they have persisted in continuing the onslaughts.

Everyone has talked about the above issues. Prince Norodom Sihanouk, head of state and chairman of the Supreme National Council, in his 13 and 14 December 1992 statements clearly said that the situation in Cambodia in 1992 and at the beginning of 1993 has been and is completely dark; that Cambodia has no unity, peace, independence, sovereignty, or territorial integrity; and that those responsible are the Yuon, the puppets, and the UNTAC chieftains. Lately, the prince has emphatically stated that he will not stand in the elections in such a political climate. He does not want to run in polls that will turn him into a foreign puppet.

UNTAC head Mr. Akashi has also expressed his concern over the elections because in the present political environment violence and intimidation have, alarmingly, become widespread. Also, some permanent members of the UNSC, the UN Secretariat, and the UN secretary general are equally worried about the elections since there is no neutral political environment but a climate of fighting, violence, and assassination of members of various political parties. This is affecting the UN peace plan and UNTAC's mission and mandate. The Governments of Thailand, China, and other ASEAN states have also voiced their concern over the elections as the Yuon and their puppets have launched offensive attacks on the DK forces.

Concerning these issues, Prince Norodom Sihanouk, head of state and SNC chairman, told representatives of the FUNCINPEC Party in the presence of Mr. Akashi, envoys of the UNSC's permanent members, and a number of ambassadors to the SNC in Beijing on 28 January that the DK party—seeing the situation of insecurity, lack of a neutral political climate, violence, intimidation, and harassment—has now begun to express its opposition. Therefore, the FUNCINPEC Party, like the DK party, should start clearly voicing its opposition now. It is no use waiting until after the elections to complain that they were unfair in this or that manner. It will be too late then.

The prince also told His Excellency Son Sann that if he realizes that a neutral political climate does not exist and the elections will be held unjustly, he should, like the DK party, make known his objection and refuse to take part in the polls now. If he waits until after the elections, it will be too late. The prince also says he will not stand in presidential elections unless a new parliament and a new government are a genuinely national assembly and government that he can work with. If the new parliament and new government belong to foreigners, he will then not be able to work with them as he cannot allow himself to become a foreign or Yuon puppet. He does not want to work under foreign domination.

These events clearly show the real situation in Cambodia at present. And it is UNTAC that is bound to confront and completely settle the situation.

The Cambodian nation and people and the Cambodian national resistance forces, especially the DK forces, have earnestly and repeatedly demanded that the following key provisions of the Paris accord be correctly implemented:

1. The SNC should be given a role to play. This is to enable the council to pursue its tasks as the sole legitimate organization and source of power in Cambodia during the transition.

2. UNTAC and the SNC should cooperate to verify and control the complete withdrawal of all categories of Yuon aggressor forces from Cambodia.

3. UNTAC and the SNC should cooperate to control the five ministries that directly influence the elections.

Only by implementing these three provisions can a secure and neutral political environment exist for the holding of free, democratic, and fair elections.

## 'Independent Press' Turns 'Pro-Government'

*BK0602081093 Hong Kong AFP in English 0637 GMT 6 Feb 93*

[By Sheri Prasso]

[Text] Phnom Penh, Feb 6 (AFP)—Cambodia's first attempt at an independent press has turned pro-government after the editor was intimidated into taking a government line, media sources said.

The KOH SANTEPHEAP—which means Island of Peace—was the talk of the town last month when it was revived by a former reporter after almost two decades of communist-imposed silence.

Its first issue provided a fairly balanced look at Cambodia's 20-plus political parties, including the ruling Cambodian People's Party (CPP), which it said was responsible for "both sweetness and bitterness."

However, its last issue featured a picture of CPP President Chea Sim on the top of the front page and detailed his recent speech to the National Assembly.

"The CPP is considered the party that has done good deeds for Cambodians," the newspaper proclaimed.

Editor Thong Uypang said he could not comment about the change. But media sources said he had received visits from friends in the government who warned him that his life would be in danger if he wrote articles critical of the regime.

However, the Chea Sim article was accompanied by a small story headlined "Dictatorship," giving an indication of the editor's displeasure with the new government line.

"Wherever a regime does not allow the people to speak, to discuss their ideas or to write, that is a dictatorship," the article said, without naming any regimes in particular.

"When there are still dictators, the people become mute, deaf and blind," it said.

The U.N. Transitional Authority in Cambodia (UNTAC) is in charge of the government's Ministry of Information in order to ensure a free press, but it is unable to protect individuals from intimidation. Its main function has been to discourage publications from printing racist or slanderous political remarks.

"I am afraid KOH SANTEPHEAP is not independent anymore," said a Cambodian journalist from a rival state-controlled publication who said he and his colleagues were excited about the start of an independent press.

"I worry that the editor of KOH SANTEPHEAP is afraid of writing stories criticizing the CPP," he said.

KOH SANTEPHEAP is remembered for its veiled criticism of the Lon Nol regime before 1975. Its editor was killed by the Khmer Rouge when the radical communists took power.

## Heng Samrin, Bou Thang in Ratanakiri Province

*BK0602063393 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 6 Feb 93*

[Text] A high-ranking delegation of the Cambodian People's Party [CPP] led by His Excellency [H.E.] Heng Samrin, honorary chairman of the CPP and chairman of the Council of State of the SOC [State of Cambodia], accompanied by H.E. Bou Thang, member of the Standing Committee of the CPP Central Committee and vice chairman of the Kampuchean United Front for National Construction and Defense National Council; Kham Len, member of the CPP Central Committee, chairman of the Nationalities Commission, and Assembly member for Ratanakiri Province; ministers and deputy ministers; and leading officials from various SOC institutions, inaugurated the O Chum hydropower station on the morning of 3 February.

Speaking on this occasion, Lak On, member of the Central Committee and chairman of both the Ratanakiri provincial party committee and people's committee; and H.E. Bou Thang read reports summing up the construction of this hydropower station—which took over two years to complete—in order to transform Ratanakiri Province into a developed zone appropriate with the country's progress. Lak On further said that the achievements in the province are the result of the active attention of the CPP, which is constantly paying attention to the interests of the nation and the people.

Speaking on the occasion, H.E. Heng Samrin conveyed his own sentiments and those of the SOC Government to compatriots in Ratanakiri Province and praised the achievements of our officials, engineers, and workers in successfully completing this modern station.

Afterward, the presiding committee conferred the SOC's Labor Order, second class, on H.E. Bou Thang, chairman of the construction committee; and So Khun, vice chairman of the committee for the construction of the O Chum hydropower station. The presidium also conferred the Labor Order of the Council of Ministers on 13 cadres and presented the Council of Ministers' congratulatory certificates to 18 cadres for their good work in the construction of this hydropower station.

This ceremony was concluded after the presidium and local and foreign guests cut the ribbon to officially inaugurate the O Chum hydropower station.

## Indonesia

### Former UN Officer on Cambodian Situation

*BK0802133993 Jakarta ANTARA in English 1109 GMT 8 Feb 93*

[Text] Jakarta, Feb 8 (OANA/ANTARA)—Armed clashes between the Phnom Penh troops and the Khmer Rouge forces in the northern and central provinces of Cambodia have abated in the last three days, said Garuda XII-B contingent commander Lieutenant Colonel Ryamizard at Halim Perdanakusuma Airport here Sunday evening.

Armed contacts between the warring factions culminated last week, but the situation in the country in the past three days had been improving, the commander who was returning to Indonesia said.

Ryamizard, who had been in duty for nine months in Cambodia, said that the condition in Cambodia would not be that bad that could endanger the position of Indonesia's peace mission forces.

He said he observed that troop commanders from both factions were actually prefer peace to war after being tired of 12 years of civil war. But the differing views among their leaders make them at war. There was in fact no problem in the field. Commanders of the four factions as well as the people wanted peace, Ryamizard noted.

Up to now, the Khmer Rouge faction is still opposed to the planned elections in May, which is part of the second stage in the realization of the Paris peace accord.

The refusal of Khieu Samphan's faction of the UNTAC [United Nations Transitional Authority in Cambodia]-sponsored elections has worsened the situation. The Garuda XII-B contingent, which had been posted in the most central province, had scored a variety of achievements which had brought fame to Indonesia. The Indonesian troops helped free several times UN officers who were held hostage by the Khmer Rouge saction.

The Garuda XII-B had been replaced bq Garuda XII-D contingent which had left here two weeks ago under the command of Lt. Col. Sapoaji.

The arrival of Ryamizard together with his deputy commander Major Nurdin and the 220 troops of Garuda XII-B was greeted in a ceremony headed by the Jakarta military commander, Major General Harseno.

### Suharto Receives Visiting Malaysian Minister

*BK0802131393 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 8 Feb 93*

[Text] President Suharto hopes that several issues which affect bilateral ties between Indonesia and Malaysia will be solved through consultations based on the desire to maintain useful cooperation for the present and future times. The president made these remarks when he received a courtesy call from Malaysian Foreign Minister Abdullah Ahmad Badawi at the Bina Graha presidential office in Jakarta today.

The Malaysian minister's current visit to Indonesia is in the framework of attending the second ministerial meeting of the Indonesia-Malaysia Joint Committee. The first ministerial meeting was held in Kuala Lumpur in 1991. Speaking in the presence of his Malaysian counterpart, Foreign Minister Ali Alatas said the second ministerial meeting would discuss 18 points for bilateral cooperation.

### Islands Dispute With Malaysia To Be Diffused

*BK0802154493 Hong Kong AFP in English 1258 GMT 8 Feb 93*

[Text] Jakarta, Feb 8 (AFP)—Indonesia and Malaysia ended Monday the second four-day joint commission meeting with both parties agreeing to step up efforts to resolve their territorial dispute over the Sipadan and Ligitan Islands.

"It is our intention that Sipadan and Ligitan Islands will not be a tension in bilateral relations," Foreign Minister Ali Alatas said in a joint press conference with his Malaysian counterpart Abdullah Badawi.

The islands have soured relations between the two neighbours since 1969 when both laid claims to the two small islands off the border between the Indonesian Province of East Kalimantan and the Malaysian state of Sabah.

In 1991 Jakarta protested Malaysia's drive to develop both islands for tourism despite a bilateral agreement to maintain the islands' status quo pending the settlement of the territorial claims.

At the first commission meeting in 1991 Malaysia delivered documents on the country's claim on the two islands. Alatas said there would be a further senior official meeting, but gave no date.

Indonesia was a Dutch colony until 1945. Sabah, like other Malaysian states, was part of the British empire.

The commission also discussed Indonesian migrant workers in Malaysia, illegal migrants from Aceh, and safety of navigation in the Straits of Malacca, Alatas said.

"We have a very cooperative progress in the process of legalizing illegal Indonesian workers to Malaysia," Badawi said, adding that up to June last year there were 311,434 Indonesian workers who had been legally registered in Malaysia.

Badawi said he was happy that among 290 Acehnese illegally migrating to Malaysia, 151 of them had voluntarily returned to Indonesia. Some illegal migrants from Aceh are members of a separatist movement seeking asylum in Malaysia, citing Indonesian repression of their movement which seeks a separate and Muslim state in Aceh.

The two countries also agreed to boost cooperation in science and technology, focusing on the field of atomic energy for peaceful purposes.

Currently Malaysian science and technology minister is in Indonesia and has visited National Atomic Energy Agency (BATAN) in Serpong west of here.

### Investment, Visits to PRC Province Increasing

*BK0802135493 Jakarta ANTARA in English 0110 GMT 8 Feb 93*

[Text] Denpasar, Feb 8 (OANA/ANTARA)—Investment and visits by Indonesians to Xiamen in the People's Republic of China are increasing, said Vince Parr, public relations manager of the Xiamen Holiday Inn, in Kuta near here over the weekend.

Vince Parr, who was visiting Bali to attend the Asia-Pacific Conference said that Xiamen was an attractive location for investment and recreation centre.

The Holiday Inn that runs 1,700 hotels in 54 cities has made an investment there by building a hotel, he said.

Xiamen can be reached by plane from Taipei, Taiwan, within 60 minutes. Some Indonesian investors, like the Darmala Group and the Sudomo Salim Group, have also invested in the tourism sector, he asserted.

### Daily Discusses Human Rights Situation

*BK0702091893 Jakarta THE JAKARTA POST in English 29 Jan 93 p 4*

[Editorial: "On Human Rights"]

[Text] Considering the increasing concern that exists around the world at present over the need to promote human rights, it is not surprising that the view exists among many observers that the fact the just concluded UN-sponsored workshop on human rights for the Asia-Pacific region was held in Jakarta can be regarded as a token of success for Indonesia in this particular area.

It is no secret that various accusations of human rights abuses have been thrown at Indonesia's address in the recent past, much to the chagrin of Indonesians.

It must, of course, in all fairness be said that while in many cases such pronouncements are founded on biased perceptions more than on factual observation, in others they could well have a basis of truth. Human rights abuses, after all, occur even in the most industrially advanced countries—countries that pride themselves on being bastions of human rights.

Such arguments aside, however, the question remains why so much concern has been expressed abroad of late over the practice of human rights in Indonesia—more, it seems, than in this country itself. Cynics, of course, will have a ready answer to this question: Indonesians are not free to express their views.

Frankly, we believe such statements to be a gross oversimplification of the matter. Has it, for instance, occurred to those critics that the reason might well be that Indonesians—or at least most of them—simply have a different perception of human rights? Let us draw a simple parallel to illustrate the point we want to make: A number of political scientists have argued that the reason why Western parliamentary democracy has failed in so many developing countries is that it has no basis in local tradition. The basic mechanisms to make it successful simply aren't there and have to be put in place before the system can have a chance of becoming viable. In countries where it has been successful, a sufficiently solid basis for more "modern" traditions was laid by the former colonial powers while they continued to hold sway.

Given such a premise, we believe that the human rights viewpoint of Indonesia must be regarded if the debate is to be productive. It is perhaps not very well known among outsiders that basic rights such as the right of assembly and the right of expression are guaranteed by the Indonesian Constitution. What has to be further worked out is the legislation that will put those principles into effect. This is obviously a process that will evolve in step with the progress that is made, particularly in welfare and education.

It is in this context that we believe President Suharto's words at the opening of the UN-sponsored workshop on Tuesday must be understood. The fundamental question which Indonesians are facing, the President said, is not restricted to the protection of human rights but also involves actively creating the conditions that are conducive to the growth and evolution of humanity. Every nation, according to the head of state, upholds the lofty ideals of human rights, but there are differences on the national and regional level in the understanding, institutionalization and implementation of those rights.

By saying all of this, it is obviously not our intention to close our eyes to the shortcomings that exist in the practice of human rights in Indonesia. We are quite confident that eventually, hopefully soon—say, within a generation—the foundations will have been laid which will make the full exercising of human rights possible.

In the meantime, it is well to remember that the promotion of human rights in a developing country such as Indonesia is a most complex endeavor that should be undertaken not only with resolution but also with care. The tragic events that are now taking place in some parts of Eastern Europe, for example, may serve as a reminder of what impulsive action can do.

## Laos

### Foreign Investors Open First Commercial Bank

*BK0802035993 Bangkok BANGKOK POST in English 8 Feb 93 p 26*

[Text] LAOS has opened its first commercial bank, a joint venture between the Laotian Government, Thai, Taiwanese and Australian investors.

The registered capital of the bank, called Vientiane Commercial Bank, is US$5 million (about 125 million baht). About 75 percent shares are held by foreign investors and the rest by the Laotian Government.

The bank will take deposits in three currencies—Baht, Laotian kiep and US dollars.

It will provide fund transfer services, provide guarantee facilities to promissory notes and extend loan for exports to commercial, agricultural, industrial and construction sectors.

The bank's first president is Thai Sin Rianthirasak, a former executive of the Bangkok Bank of Commerce.

Mr Sin said the bank was expected to open its branches in Thailand, China, Cambodia and Burma in addition to other domestic branches.

### Khamphoui Keoboualapha Attends Opening

*BK0802115193 Vientiane KPL in English 0926 GMT 8 Feb 93*

[Text] Vientiane, February 8 (KPL)—The Vientiane Commercial Bank Ltd., located at building No. 31, Dong Palan Road, Vientiane Municipality, on February 6 held a ceremony to officially open its service.

Attending the ceremony were Mr. Khamphoui Keoboualapha, vice prime minister and minister of economy, planning, and finance; Mr. Phoumi Vongvichit, advisor to the Lao People's Revolutionary Party Central Committee; and Thai Ambassador to Laos Mr. Nikhom Tantemsap, among others.

The bank is a joint investment bank between groups of Lao and foreign businessmen with and approved investment of 5 million American dollars (396 billion kip). The capital equity is 25 percent from the Lao side and 75 percent from the foreign side.

The bank provides different services in money deposits in Lao kip, Thai baht, and American dollar, (?transfer to) or from Laos and foreign (?accounts), and in foreign exchanges.

To promote import and export, it also issues loans for ecomomic development in agriculture, industry, handicraft and in trade.

### ADB Grants Loan for Roads in South

*BK0702084793 Vientiane Vitthayou Hengsat Radio Network in Lao 1400 GMT 6 Feb 93*

[Text] On the evening of 5 February, at the Ministry of Communications, Transport, Posts, and Construction in Vientiane, an agreement was signed on the acquisition of a U.S. $33 million loan from the Asian Development Bank [ADB] to the Lao People's Democratic Republic [LPDR] Government for the sixth construction project of roads in four southern provinces.

At the signing ceremony, the Lao Government was represented by Phimmakon Manotham, deputy minister of communications, transport, posts, and construction, and the ADB by [name indistinct]. The agreement was signed in the presence of Bouathong, minister of communications, transport, posts, and construction, and a number of officials of the ministry and the ADB.

The ADB is an organization that has consistently rendered cooperation to the LPDR Government on investment for socioeconomic development. From the first to the sixth projects, the Lao Government has obtained low-interest longterm loans totalling U.S. $138 million from this bank for construction of bridges and roads.

The latest U.S. $33 million project will cover construction of international standard roads in four southern Lao provinces—Saravane, Champassak, Sekong, and Attopeu—a combined total 193 km in length. Bidding for the project will be done this year and construction will begin next year.

### Phoun Sipaseut Receives Vatican Emissary

*BK0902063793 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 8 Feb 93*

[Text] Phoun Sipaseut, deputy prime minister and minister of foreign affairs, received Monsignor Claudio Celli, deputy minister of state of the Vatican, in Vientiane on the morning of 8 February.

The Lao deputy prime minister expressed appreciation on the visit to Laos by the high-level emissary of the Vatican, a visit that will help further improve the development and expansion of the existing relations of friendship and cooperation between Laos and the Vatican. On behalf of the Lao Government and people, Phoun Sipaseut expressed thanks to the Vatican for having rendered assistance to Laos in the field of public health and anti-drought operations.

The Vatican emissary thanked the Lao Government for having provided conveniences and cooperation for the representatives of the Vatican in Laos. He said the main purposes of his visit to Laos are to better understand the Lao side and promote continuous development of the existing relations between the Vatican City and Laos.

The Vatican visitor is paying an official visit to Laos from 7-9 February.

## Philippines

### Legislators Debate NAFTA Impact on Economy

*HK0902050193 Manila THE MANILA CHRONICLE in English 25 Jan 93 p 1*

[Text] The Philippines will suffer trade and investment losses when the North American Free Trade Agreement (Nafta) takes effect starting this year.

The government is ill-prepared to cope with Nafta's consequences. For one, neither the Department of Foreign Affairs (DFA) nor the Department of Trade and Industry (DTI) has made in-depth studies on its implications.

Without a study, the government has not evolved a workable program to find ways to sustain the nation's share in the rich American and Canadian markets and attract investments from those two countries.

Nor has the Philippine Congress come out with a definite policy to redirect the local economy towards more viable alternatives.

These harsh facts surfaced at public hearings at the House of Representatives subcommittee on North American affairs. Rep. Rosenda Ann Ocampo (NPC [National People's Coalition], Manila) is chairman. Ranking officials of the DTI, DFA and National Economic and Development Authority gave their testimonies.

Ocampo earlier warned in a privilege speech of the consequence of Nafta's creation. She called the meetings to assess the country's trade and investment standing vis-a-vis the United States and Canada, two of the Philippines major trade partners, which along with Mexico have formed Nafta.

The U.S. remains the Philippines main trade partner with $3 billion annual exports. Canada is its 13th biggest buyer and investor.

More than soured political relations with U.S. as a result of the dismantling of the U.S. bases here, Nafta poses a bigger danger to the country. If the country fails to do something substantial, the trade and investment bonanza could end this year, she said.

Grilled by a group of lawmakers led by Rep. Ramon Bagatsing Jr. (Laban, Manila), DFA officials revealed that DFA fieldmen have made updates on Nafta's formation from its conception eight years back. But the leadership never responded appropriately.

Formal negotiations between the U.S. and Mexico began last June 1991. Before that, the US and Canada already had a free trade agreement. Last August 12, 1992, the three North American nations forged a formal agreement, supposedly their answer to the emerging European Community (EC) also a trade bloc.

### NUC Chief Explains Power To 'Intervene'

*HK0802035693 Manila THE MANILA CHRONICLE in English 7 Feb 93 p 7*

[Text] Davao City—The National Unification Commission [NUC] may have no power to stop the ongoing military operations against rebels but it can "intervene" in scaling it down to a level "proportionate" to the actual danger prevailing in insurgency-plauged areas.

NUC chairperson Haydee Yorac, called on members of the local NUCs to immediately report instances where the military or police launch large-scale operations "disproportionate" to actual threats posed by rebel forces.

The NUC will in turn assess the extent of "military reactions" against rebel armed groups and recommend the appropriate conduct of military operations to field commanders, Yorac told a press conference yesterday.

"We can make representations to (Defense) Sec. (Renato) de Villa to ask for the scaling down of the military operation," she said. She did not elaborate what body will determine the "proportionality" of military operations against the rebels.

She also doubted the capability of the local NUC to persuade commanders to re-assess their military actions in the field.

"Kung may [If there is] disproportionate reaction 'yong AFP [by the Armed Forces of the Philippines] ... that is the time we (will) intervene, recommend the scaling down of the reaction proportional to the situation on the ground," she said.

She reiterated that a cease-fire is not yet possible. This, she said, is to avoid a repeat of the 1987 peace talks, where both the government and the National Democratic Front, traded accusations on cease-fire violations instead of focusing on substantial matters.

"Of course we all wish of a possibility of terminating all armed conflict but at the moment it is not possible, hindi mo mapigil iyan ... Ang ginagawa natin ngayon ay [We cannot stop that ... what we are doing now is] shoot and talk at same time," Yorac said.

The Hague declaration, signed both by government and NDF representatives, has also ruled out the truce as a precondition for peace talks.

### RAM Criticizes NUC Chief for 'Interference'

*HK0802120693 Manila THE MANILA CHRONICLE in English 7 Feb 93 p 7*

[Report by Redempto Anda]

[Text] Leaders of the right-wing Rebolusyonaryong Alyansang Makabansa [Reform the Armed Forces Movement] (RAM) yesterday chided Haydee Yorac, chairman of the National Unification Commission (NUC), for ordering them to "stop talking" after they called off preliminary peace talks with government representatives.

Edgardo Abenina, a former Constabulary general and chief negotiator for RAM, told reporters at a breakfast meeting that Yorac's peevish reaction to their move amounted to "a very grievous interference" in the peace process.

Yorac's outburst came after Abenina and other RAM leaders had taken their complaints against the government panel to the media shortly after the preliminary talks started last week.

Abenina complained that the government panel, headed by a University of the Philippines law professor Alfredo Tadiar, was not fully authorized by Malacanang to discuss "national issues" with them.

They also demanded the release of 12 comrades still being detained by the military.

President Ramos, however, promptly rejected the complaints against the government panel, saying issues being raised by the RAM could not be addressed outright by any single institution.

On Thursday, Sen. Rodolfo Biazon, a member of the NUC, said the government could not release the 12 remaining detainees since they had been convicted of common crimes like murder and bank robbery.

Nevertheless, Yorac said the government last Wednesday turned over six of the detainees to their commanding officers pending final action on their cases.

Abenina justified their having gone to the media to air their complaints, saying, "The RAM is going to do anything in relation to the peace process as long as we don't violate the law."

"Some people are speaking out of context," Abenina said, in response to Yorac's order for him to stop talking through the media.

"When I speak, I speak as chairman of the panel," he said. "Any attempt by anyone to pull the rug from under my feet will be an attempt against RAM. We will deal with it accordingly, but we find it wise not to refute the statements of Commissioner Yorac."

He explained that the suspension of the talks was not a unilateral decision by the RAM but one that had been "mutually agreed on by both panels."

He said the move did not mean that the RAM was already "pulling out" of the negotiations.

"We will not pull out of the negotiations. We would just like to set the atmosphere and procedures correctly. Because this negotiation has great historic implications. We want everything conducted officially and formally so that later on, long after the process is finished, no one can misquote us," he said.

Abenina also confirmed for the first time reports that the RAM executive committee had actively sought to block earlier government plans to have Yorac lead the government's negotiating panel.

"The RAM executive committee indicated strong reservations about Yorac," he said. While admitting that the RAM leadership did not want Yorac as a member of the panel, Abenina said that "we will not be influenced by our personal feelings."

The negotiations will resume on Feb. 16, but Abenina said they were not sure if they could begin the discussions on "substantial matters."

"It will all depend on how fast we can cover the necessary procedural matters. Before we start talking formally on the issues, we have to set these things in the proper perspective," he said.

Abenina also clarified that the release of the remaining RAM members from detention "is not a demand" before they resume peace negotiations, saying this had been committed by the government when the RAM agreed to join the peace process.

## NUC Chief Retires From Election Body

*HK0902053793 Manila MANILA BULLETIN in English 9 Feb 93 p 1*

[Text] National Unification Commission (NUC) Chairman Haydee B. Yorac retires today from the Commission on Elections (Comelec), vowing to devote her time to the country's peace process to make it succeed.

Yorac, chairman of the Comelec's second division, served for more than six years in the poll body. She was first appointed to the Comelec by then President Corazon Aquino in 1986 and was reappointed to a term of five years on Jan. 30, 1988. Her appointment was confirmed by the Commission on Appointments on Feb. 9, 1988.

A bar topnotcher, she served for more than one year as acting Comelec chairman and was credited for the first peaceful elections in the Autonomous Region in Muslim Mindanao (ARMM) on Feb. 17, 1990.

Last night, Yorac and Commissioner Dario C. Rama, who is retiring on Feb. 15, were honored in a testimonial dinner by the Comelec at the Hyatt Regency Hotel.

Rama, who was a practicing lawyer in Davao when he was appointed to the Comelec in 1986, also served the poll body for more than six years. Like Yorac, he was first appointed by Aquino in 1986 and reappointed on Jan. 30, 1988. His appointment was confirmed by the Commission on Appointments on Feb. 15, 1988.

But while Yorac already has a government job as NUC chairman, Rama signified his intention to go back to law practice in Davao. Asked if he would serve the government again, Rama said he will "cross the bridge when I reach it."

Yorac expressed hope that the peace process with Communist rebels, rebel soldiers, and Muslim secessionists in Mindanao will succeed.

She said there remains many obstacles to be hurdled but she is optimistic that the peace process will eventually succeed.

"The sincerity of all parties cannot be doubted at this point in time," she said. "Everybody wants peace."

### Senator Advocates Embassy Extension in Sabah

*HK0802053093 Manila MANILA BULLETIN in English 6 Feb 93 p 19*

[Report by Mario B. Casayuran]

[Text] Sen Blas Ople, chairman of the Senate Foreign Relations Committee, said yesterday that the establishment of an extension office of the Philippine Embassy in Kuala Lumpur to Sabah does not mean the Philippine Government is weakening its ownership claim over this Malaysian federated state.

Ople, a member of President Ramos's official delegation to Kuala Lumpur during a recent state visit, said the extension office was a device adopted so that the Malaysian Governemnt could immediately regularize the status of Filipino nationals in Sabah.

Sen. Santanina T. Rasul, lone Muslim in the 24-member Senate, earlier disagreed with the plan, saying it would weaken the ownership claim of the heirs of the Sultanate of Sulu and North Borneo (now officially named Sabah) over Sabah.

Ople said, however, the establishment of the extension office similar to a consulate was precisely for the purpose of extending protection to some 350,000 Filipinos, mostly Muslims, in Sabah.

These Filipinos are considered illegal aliens and, along with hundreds of thousands of Indonesians, are subject to immediate deportation, Ople said.

It was for this reason, Ople said, that the President broached this idea with Malaysian Prime Minister Mahathir and his cabinet and requested that "some sort of general amnesty be extended to the Filipino migrants in Sabah, including those driven out by the Mindanao conflict."

Blas quoted Mahathir, replying to the president's request as saying: "We would apply our minds."

"From my standpoint, the first test of the sincerity of Malaysia would be in responding as soon as possible to the proposal of the Philippine government to regularize the status of Filipinos in Sabah," Ople said.

"What is new in the bilateral relationship is that for the first time since 1963, the Malaysian Government no longer stipulates as a condition for the development of RP [Philippine]-Malaysian relations the prior dropping of the Sabah claim," Ople added.

Because of this development, he explained, both governments are now "predisposed to go beyond this historical impediment without resolving it now in order to develop the full range of relations between the Philippines and Malaysia especially with respect to trade and investment and joint development.

Ople cited a proposal to set up a "growth traingle" between Mindanao, Sabah and Sulawesi in Indonesia.

"This is getting fashionable, three countries getting together to speed up development of contiguous areas. For example, Singapore, Indonesia and Malaysia have this triangle now. If this materializes, the latest would be Mindanao, Indonesia and Malaysia. This means our two major port cities in the South—Davao and Zamboanga—will bid to become the new entreports of this region. Singapore is an entreport but is rather distant from this area," he explained.

### Editorial Views 'New Realities' of Diplomacy

*HK0502062193 Manila THE MANILA CHRONICLE in English 5 Feb 93 p 4*

[Editorial: "Philippine Diplomacy Adjusts to New Realities"]

[Text] Most small nations do not have sufficiently manned diplomatic services to cover the world. Many of them don't have to.

The Philippines has a diplomatic staff that resembles the rest of government; it is short of trained manpower and short on logistics, and long on responsibilities. Unlike comparable nations that can only afford to maintain small diplomatic staffs, our foreign service must—apart from performing standard diplomatic functions—attend to the needs of hundreds of thousands of citizens working across the globe.

With strong competition from other government agencies for scarce budgetary resources, the Department of Foreign Affairs [DFA] has been forced to run our diplomatic services on a shoestring. The situation has been abetted by the fact that, until very recently, diplomacy was not among our national priorities. A deeply-rooted parochialism combined with a longstanding disposition to play the role of junior partner to U.S. foreign policy kept our diplomatic service small uncreative and badly trained.

Diplomatic posting was often seen merely as part of the political spoils. Numerous ambassadorial posts were filled with political appointees, at the cost of demoralization among career diplomats. Military officers who were proteges of influential generals or politicians were sent off as attached with hardly any specialized training. Foreign posting was seen as a break rather than as job.

Recent developments have forced us to take a long and hard look at the quality of our foreign service and the efficiency with which limited logistics are developed.

Shortage of qualified diplomatic personnel has forced the DFA to field available career foreign service officers abroad at the expense of building a strong home staff. The undermanning of the home office reflected in limited competence at managing strategic information, initiating more adept foreign policy initiatives and training junior personnel. Some of the necessary work at the home office such as analyzing developments in other countries as they affect our national interests have been farmed out to research consultants and domestic academic institutions.

At the same time, the end of the Cold War, the withering of old alliances, the increasing importance of economic issues in foreign policy, the rise of trading blocs and the diaspora of Filipino workers have, together, drastically changed the terrain of our foreign policy.

In the past, our foreign service largely followed the American lead and relied on our allies to supply us with strategic information. Today, we must collect information—particularly on trade and economic issues—on our own and on the basis of our interests. The breakdown of the old bipolar world order and the emergence of new regions of economic influence require us to realign our diplomatic presence and our foreign policy priorities. The large number of Filipinos working abroad create new demands on our consular services in entirely new areas of the world.

Our foreign policy operates in a new framework. Southeast Asia, not anymore the United States, is the focal point. Our foreign policy priorities more closely resembles geographic and the new configuration of economic power. With the Asean as our core concern, our priorities move out in concentric circles to the powerhouse economies Northwest Asia and outwards to our main export markets.

Adjusting to new global realities and the need to more rationally use available diplomatic resources, government has decided to close down 12 foreign service posts. Of thesee 12, nine are embassies and three are consulates. The embassies—such as those in Havana, Cuba and Dakar, Senegal—are in countries where there are hardly Filipino citizens working and where bilateral trade is minimal. The three consulates are all in the U.S., bringing our diplomatic presence in this country to a closer approximation of the relative importance of our bilateral relationship with our former colonial master.

The closure of the nine embassies and three consulates shall allow us, in the near future, to redeploy diplomatic manpower to thinly manned but important posts in the home office and to new foreign service posts abroad. We intend, for instance, to open a consulate in Milan to service the needs of 20,000 Filipinos working in that Italian city. An embassy in Phnom Penh and a consulate in Ho Chi Minh city are also being considered.

The re-deployment of our diplomatic missions reflects the need for the DFA to adjust to the new realities that define our foreign policy.

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## Central Bank Data Shows 25% Rise in Imports

*HK0802054293 Manila THE MANILA CHRONICLE in English 7 Feb 93 p 9*

[Report by Gil C. Cabacungan Jr.]

[Text] Local businessmen jacked up their import transactions by 25.36 percent to $11.266 billion in 1992 from $8.986 billion in 1991, Central Bank (CB) data last weekend said.

This developed despite the appreciation of the peso vis-a-vis the U.S. dollar by 7.2 percent to an annual average exchange rate of P25.51 [Philippine pesos]:$1 in 1992 from 1992's year-ago average of P27.48:$1.

Analysts said the lifting of the import levy midway last year encouraged businessmen to open more letters of credit (L/Cs).

Analysts added that imports are expected to advance further this year with the resurgence of manufacturing activity following an expected improvement in power supply.

The exchange rate is expected to depreciate second half this year due to higher imports mostly made up of capital goods.

The CB is well-prepared for the surge in dollar demand since it has robust international reserves and the continued growth in overseas contract workers' remittances helps.

Based on preliminary figures, nonoil imports, accounting for 84 percent of the total L/C openings, climbed by a hefty 28.5 percent to $9.486 billion in 1992 from $7.379 billion in 1991.

Major merchandise imports in 1992 were: Mineral fuel, lubricants, and other materials; machinery and equipment; and electronic components.

Meanwhile, oil imports stepped up by 10.74 percent to $1.779 billion last year from $1.067 billion in 1991.

The biggest number of L/C openings for a single month in 1992 registered in March at $1.228 billion. Most importers scrambled to beat the deadline for exemption from the globalized pre-shipment inspection scheme.

## Thailand

### Key Officers View Chuan's Army Policy

*BK0802041793 Bangkok BANGKOK POST in English 8 Feb 93 p 4*

[Article by Soemsuk Kasitipradit: "Chuan's Policy on Army a Matter of Debate"]

[Text] Prime Minister Chuan Likpai's determination not to get involved in power-plays within the army has drawn a mixed response from key military men during his four months as premier.

Some of his supporters question whether the premier is aware of the political consequences of this "hands-off" attitude, warning that it is naive and could put his administration in jeopardy.

They argue that key combatant commanders in lower levels are under the control of military officers who are still loyal to the now-defunct National Peace-keeping Council members including the former army chief Gen Itsaraphong Nunphakdi and former army deputy commander Gen Wirot Saengsanit.

Both Gen Itsaraphong and Gen Wirot, who are key members in the Chunlachomklao Military Academy's Class 5, were shifted to inactive posts in the Defence Ministry after the bloody May incident when military forces under Gen Itsaraphong's command violently suppressed demonstrators seeking to oust the former premier Gen Suchinda Khraprayun from office.

One army general who is not a Class 5 loyalist says most regiment and battalion commanders based in Bangkok are either Gen Itsaraphong's or Gen Wirot's men, claiming that they were directly selected and appointed by the generals who would have no doubt of these commanders' loyalty.

Recalling the April '81 incident when key Young Turk officers led by then Col Manun Rupkhachon staged an abortive coup against then premier Gen Prem Tinsulanon, the officer said it was the middle-level officers controlling key battalions and regiments who called the shots in a bid to topple the government.

"As long as these men (Class 5 loyalists) have not been removed from combatant posts it might cause a problem for the government. This is a dangerous trend and should not be allowed to continue," concluded the general.

A retired army officer who was once a respected instructor in the Chunlachomklao Military Academy also voiced concern that the prime minister might commit political suicide should he not fully exercise his authority to disrupt the trend.

"Even Gen Prem kept his men in some key positions in the army when he was premier so that he could get first-hand information if there was a move to topple him," commented a military observer.

He added that one of Gen Prem's trusted military men at the time was then Maj Gen Mongkhon Amphonphisit who was in command of the 1st infantry division which is the most powerful army division based in Bangkok.

"He (Gen Prem) even had his own intelligence networks. I don't think that this prime minister has," the officer said.

Questioned on the topic, Prime Minister Chuan has reiterated his former stance saying that his administration had no wish or desire to get involved in a power-play in the armed forces which he said would have strong political consequences "if it was mishandled."

The premier added the government would not exploit the current division in the armed forces and use it to strengthen or expand its political base.

An informed source close to the premier admitted that Mr Chuan's political supporters have raised the issue of power-plays in the army for discussion with him and wanted him to use his authority to resolve the problem. However, he was sticking to his former stance.

"This government will not, in any political situation, use the army to strengthen and enhance its political base," stressed the veteran politician from Trang province.

He said he had already delegated his power to current Defence Minister Gen Wichit Sukmak and the minister had the full authority whether to initiate any military reshuffle in the armed forces. He called the minister a valued and competent military officer who has gained much respect among his subordinates.

Prime Minister Chuan has said that he did not foresee any military coup in the near future adding that any unconstitutional move by men in uniform to topple an elected government would face strong opposition from the public.

"He (Mr Chuan) might forget that the political situation in this country can be easily manipulated. If he forgets this fact he might get his own political lesson soon," countered an active military man, warning that the collapse of the government was imminent should the premier decide to let present trend in the army go uninterrupted.

However, an adviser to the National Defence Institute, Gen Thanaphon Bunyapasatham, had a different point of view. The general commended the prime minister for his hands-off policy from the armed forces saying that such a policy was proper under current political circumstances.

The general admitted there was a division in the army, adding that any attempt to remove regiment or battalion commanders from their posts should be made in close consultation with the defence minister and the army chief so that the move would not cause further rifts in the army.

An active commanding general officer who was once a member of the former National Peace-Keeping Council also shared Gen Thanaphon's view saying that the prime minister has gained much respect from the armed forces as he has kept his political promise of noninterference in army internal affairs.

"One of the reasons that touched off the move to topple Gen Chatchai Chunhawan administration was his attempt to interfere in military affairs. He (Gen Chatchai) made a grave mistake when he appointed Gen Athit (Kamlang-ek) deputy defence minister and that meant the end of the government," recalled the general.

The general admitted that though some battalion and regiment commanders in the army were close to a number of key military men from Class 5 who were recently removed from powerful army posts, it did not necessarily mean that these commanders dare initiate a move to topple Chuan's administration by force.

"How could they dare to launch such a move which is against the wishes of their boss?" asked the officer, adding that he doubted the success of alny coup attempt without the support of the army chief Gen Wimon Wongwanit.

A number of military observers did not believe that a new round of power seizure was imminent, noting that the army chief is a key political supporter of the prime minister.

"Such a move is impossible," agreed Lt Gen Watthana Sanphanit, a commander of Chunlachomklao.

"The two men frequently have dinner together and this helps correct and strengthen understanding between the army and the government," disclosed one informed political source.

Prime Minister Chuan also has known Gen Wimon for a long time which he has said is enough for him to have his democratic faith in the commander, who is also a native from the South, like the prime minister.

Recently, Gen Wimon made his political stance clear to his subordinates by ordering his men in the army who are senators not to get involved in the opposition's move calling for an extraordinary House session to debate the fall of the paddy price.

"As long as the government gets the support of the army it will politically survive. Never once in our political history has a past government lasted long without the army's support and this administration is no exception," said one of Mr Chuan's political supporter who doubted that the army support would last the next two years before the army chief retires.

## Chuan Wants Neutral Poll Agency Set Up

*BK0802044593 Bangkok BANGKOK POST in English 8 Feb 93 p 6*

[Text] Nakhon Ratchasima—Prime Minister Chuan Likphai has told Deputy Premier Banyat Banthatthan to consider setting up a neutral electoral organisation.

The organisation would permanently campaign against antivote buying and corruption during elections. The format of the committee has not yet been settled.

Mr Chuan said votebuying must be campaigned against continuously because drives only during elections may not be effective.

The Premier said state officials must take part in the campaigns.

The district chief must supervise the elections of kamnan [subdistrict chiefs] and village headman every five years.

The Government will not increase the number of state officials because of the high cost, he said.

Instead, officials will be encouraged to work efficiently.

The number of officials will be decreased where their jobs overlap, such as happens for teachers, military and police officers.

The Army is considering the military aspect, he said. The Civil Service Commission is studying the rest.

## Rightists Told To Wait for Suchinda Reemergence

*BK0802021393 Bangkok BANGKOK POST in English 8 Feb 93 p 1*

[Text] The Abbot of Wat Arun Ratchawararam yesterday told a group of extreme rightists that ousted Prime Minister Suchinda Khraprayun will need support from them to set up a new political party in the next two years.

The wat is also known as the Temple of Dawn.

"We need to pack together to wait for Gen Suchinda to lead the Chat Pracharat Party," Phra Thep Sinwisut told about 100 members of the National Unity Loving Organisation of Thailand (NULOT) at his religious school at the temple.

He told the BANGKOK POST later that the former premier should not enter politics now because "his stars do not look good" for the next two years.

"He should wait until his luck turns better two years from now. I am sure that he will lead our new party," said the abbot, who is the principal of Bangkok Yai District.

Than Phuying Wiriya Chawankun, a prominent charity fund-raiser, is founding "Pracharat Party" with other two co-founders—prominent architect Rangsan Tosuwan and real estate developer Pairot Piampongsan.

The billion-baht fundraiser is known to have a very good relationship with top military officers, including Gen Suchinda.

It is unclear, however if the party her group is forming is the same as the one to which the abbot referred.

Phra Thep Sinwisut, 72, told participants that Gen Suchinda was the only Thai premier who upheld the Royal Family.

"No ex-prime minister except Gen Suchinda ever told the public they would protect the Nation, the Religion and the King," said the vice leader of Bangkok's Sangha province.

The Wat Arun abbot criticised Thailand's democracy as "a regime of corruption" full of MPs who buy votes and commit corruption to pay back their debts from vote-buying.

"I have heard that (someone) who introduced the law for motorcyclists to wear safety helmets received at least 300 million baht," the senior monk told the audience, without making any direct reference.

Phra Maha Sawoei Chanasaloe, a secretary of the abbot, told the BANGKOK POST that various rightist groups have occupied the Sunday religious school for their activities every Sunday since the May events.

"We support any activities that promote the stability of the nation the religion and the monarchy," the monk said.

A key member of the group who identified himself as Lek Chor said the Aphirak Chakri group was dissolved into 30 small groups under an umbrella of the NULOT.

"They will become Aphirak Chakri again if the country is in a political crisis like that of May," he said.

Members of the NULOT meet at the school every two weeks to attend lectures by various politicians and monks.

Phra Maha Sawoei said Prachakorn Thai Party leader Samak Suntharawet and Chat Thai MP Chaowarin Latthasaksiri are on the list of guest speakers.

Lek Cho said the NULOT will start a campaign to promote the monarchy nationwide in April.

He said he will seek cooperation from Government and Opposition MPs to organise political activities in the provinces.

Nakhon Si Thammarat is one of last provinces to visit because people there "still have some misunderstandings" about his group, he said.

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## Firm Unveils SRV Industrial Estate Plan

*BK0802043793 Bangkok BANGKOK POST in English 8 Feb 93 p 26*

[Excerpt] BANG PAKONG Industrial Park 2 Co has announced details of its US$900 million (22.5 billion baht) industrial estate project in Vietnam.

The plan is said to be in line with the state-run Industrial Estate Authority of Thailand's [IEAT] policy to relocate industrial estates into neighbouring nations.

Company president Wikrom Kuwatcharacharoen said Bang Pakong signed a memorandum of agreement with Bien Hoa authorities in December to make a preliminary feasibility study on developing an industrial estate.

The move followed a similar memorandum the IEAT signed with Danang authorities to study the development of an industrial estate project in Danang province.

Mr Wikrom said the investment' plan will be in two phases. The first, which will require about US$500 million or 12.5 billion baht, will involve industrial estate construction. The second phase, which will require US$400 million or about 10 billion baht, will be used to build utilities in the industrial estate such as power plants and waterworks.

About 6,500 rai will be initially earmarked for development and a similar area will be developed in the next step, said Mr Wikrom.

The project will involve prominent foreign firms from Japan, Taiwan, South Korea, the United States and Europe.

The industrial estate will mainly house labour-intensive industries and agro-industries with a prime target being the affiliates or subsidiaries of the foreign partners of Bang Pakong.

Areas for heavy industries will also be available in the next step. [passage omitted]

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## Russia Asks To Postpone Payment for Rice

*BK0802124593 Bangkok Voice of Free Asia in Thai 1030 GMT 8 Feb 93*

[Text] According to a report from the Foreign Ministry, Russia has asked to postpone repayment of U.S.$63 million it owes for the purchase of rice from Thailand because it is unable to make the payment. Earlier, Russia informed the Commerce Ministry of its intention to make the first payment of about $11 million for the rice purchase. As a result, no one knows if Russia will make the first payment. In any event, the Russian message seeking postponement did not specify a repayment schedule. The Foreign Ministry has suggested several barter methods to pay for the rice. These suggestions will be submitted to economic ministers for approval at today's meeting.

## Tape Copyright Fee Reduction To Be Discussed

*BK0702081693 Bangkok NAEO NA in Thai 7 Feb 93 p 2*

[Text] According to Niphat Intharasap, director general of the Intellectual Property Department, he plans to invite representatives of the International Federation of Phonographic Industry [IFPI], which represents such tape companies as WEA Records, EMI Records, Polidor, and others, to discuss lowering of copyright fees in an attempt to solve the copyright violation problem in Thailand.

High copyright fees have resulted in high retail prices when compared with pirate tapes produced in Thailand.

The department has set up a task force which employs policemen to arrest copyright violators. Many violators have been arrested so far.

Niphat says the problem which has arisen is that parent companies and violators usually settle out of court between themselves because the violators are themselves copyright holders who sell both original and pirate materials.

Niphat says: "Foreign tape companies, such as in the United States, have appealed to the U.S. Government to use Article 301 against Thailand on grounds of widespread piracy. We feel that this appeal is unfair. The matter is pending. We will have to see what will be the attitude of President Bill Clinton."

Regarding the attitude of foreign tape companies toward a reduction in copyright fees, Niphat says they wanted to consider the matter further but promised that the fees will not be increased, which would keep the price of foreign tapes from rising.

Niphat says Thai tapes are also being reproduced and sold illegally in other ASEAN and Indochinese countries, resulting in loss by Thai producers. His department will organize a seminar on 18 February for Thai tape producers on the solution to violations of their copyrights.

## EC To Lift Threat Against Thai Exports

*BK0602015193 Bangkok THE NATION in English 6 Feb 93 p B1*

[Text] The Commission of the European Community has informed the Thai ambassador in Brussels that the EC will lift its threat against Thai exports. It is apparently satisfied with the progress of Thai government's action against exporters accused of selling the EC falsely-labelled canned tuna.

In the letter dated Jan 27, last year, the EC director-general of External Relations of the Commission wrote: "Thailand has thus satisfied its obligation concerning the EC Generalised System of Preferences (GSP) verification procedure for those certificates. The Commission is therefore not pursuing the procedure leading to a temporary suspension of the benefit of the EC GSP scheme for the products originating in your country."

The EC Commission had threatened to cut the tax concessions under its GSP on Thai exports, pending the result of investigations submitted by the Thai government.

EC Customs officials accused some Thai exporters of sending the wrong type of fish to the Community, rather than the Bonito sarda variety as stated on the packaging. This variety enjoys a special tariff of only 18 percent, against the normal rate of 24 percent.

In anticipation of the allegation, the EC sought the withdrawal of more than 5,400 export certificates for Thai canned tuna exports to the Community in the past two years and also threatened to cut tax concessions on other Thai exports, if Thai authorities failed to confirm GSP eligibility.

A Thai official who asked not to be named said that the EC was informed last month that the Thai government could not find concrete evidence of wrongdoing by Thai exporters. Thai officials also informed the Community that they had an inspection system for exports to the EC.

## 1,474 Import Tariffs To Drop Under AFTA Plan

*BK0902025993 Bangkok THE NATION in English 9 Feb 93 p B2*

[Text] The Customs Department will start to lower tariffs on 1,474 items of ASEAN manufactured imports next week in anticipation of new ASEAN Free Trade Area (AFTA) regulations, the Customs Department officially announced yesterday.

In the first place, the tariffs will be lowered to 30 per cent.

From this year, AFTA asked the ASEAN Six to lower tariffs on manufactured imports to a maximum of 5 per cent by 2008.

At last year's Singapore summit former Prime Minister Anan Panyarachun announced that Thailand would unilaterally lower tariffs on ASEAN industrial goods higher than 30 per cent to that level from 1993.

Arun Thammano, director-general of the Customs Department, said that it will start cutting tariffs on ASEAN manufactured goods from Feb 15.

However, the cutting does not cover certain industrial sectors and is based on Dec 31 1992 levels.

As a result, Thailand will delay cutting tariffs on 85 different petrochemical products and 14 electrical items, including small transformers, loudspeakers, televisions, and fluorescent bulbs.

The government is expected to lose an annual Bt [baht] 261 million from its move.

## Vietnam

### Mitterrand Greeted by Leaders on Arrival 9 Feb

*BK0902072293 Hong Kong AFP in English 0712 GMT 9 Feb 93*

[Text] HANOI, Feb 9 (AFP)—French President Francois Mitterrand arrived here Tuesday on the first visit to Vietnam by a Western head of state since the end of the Vietnam War.

Mitterrand, accompanied by five ministers, was greeted at the capital's Noi Bai airport by Vietnamese Foreign Minister Nguyen Manh Cam.

He was to meet President Le Duc Anh and Communist Party General Secretary Do Muoi during his three-day visit, which diplomats said would help seal Vietnam's integration into the international economic community after years of isolation.

### Hanoi International Comments on Visit

*BK0902021493 Hanoi Voice of Vietnam in English 1000 GMT 8 Feb 93*

[Station commentary]

[Text] France wants Vietnam to have an agreement with the European Community, according to a spokesman for the French president. The spokesman, Monsieur Musitelli, also says France wants the United States to give up its veto against Vietnam's participation in international financial organizations.

He was speaking on the eve of the state visit to Vietnam and Cambodia by President Francois Mitterrand. Mr Musitelli told a press conference in Paris that French and European Community intervention is not enough to help Vietnam develop. A joint agreement between the EC and Vietnam would be more reasonable because the EC has already signed agreements with the Association of Southeast Asian Nations, ASEAN.

The spokesman said France will not follow the U.S. decision not to accept Vietnam as a member of international financial organizations. France has increased its aid to Vietnam from francs 5 million in 1989 to francs 180 million in 1992, and France's aid to Vietnam in 1993 will be arranged considerably, according to the spokesman.

He said: When the U.S. lifts its trade embargo on Vietnam France will be ready to make a great contribution to facilitating Vietnam's payment of foreign debt. France already helps Vietnam pay debts to international financial organizations so it can continue to borrow more loans from these bodies.

The Vietnamese people hope the time-honored relations between the two countries will be further effectively developed after the coming official visit to Vietnam by French President Francois Mitterrand and his wife.

### ASEAN Parliamentarians Conclude Visit

*BK0802133593 Hanoi VNA in English 1322 GMT 8 Feb 93*

[Text] Hanoi VNA Feb. 8—A delegation of the ASEAN Interparliamentary Organization (AIPO) led by its president Tan Sri Datuk Mohamed Zahir, who is also chairman of the House of Representatives of the Malaysian parliament, has concluded its week long official friendship visit to Vietnam.

Before leaving Ho Chi Minh City yesterday, the delegation toured the city and the coastal province of Baria-Vung Tau.

It was seen off at the Tan Son Nhat airport by Hoang Bich Son, member of the Standing Committee of the National Assembly and head of its Commission for External Relations, and others.

### Editorial Marks Party's 63d Anniversary

*BK0502134593 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 3 Feb 93*

[Text] Marking the 63d anniversary of the founding of the Communist Party of Vietnam, the paper NHAN DAN on 3 February carries an editorial entitled "Surge Forward to the Level That Commensurate With Our Tasks". The editorial says in part:

Over half a century and more, together with our people, our party has surmounted many great difficulties and ordeals and suffered numberless sacrifices to gain national independence and freedom and to advance the country through the transition to socialism.

Since the Sixth and Seventh Party Congresses, under our party leadership, we have scored important achievements in our country's renovation. In 1991 and especially 1992, faced with fierce challenges in the country and complex world changes, under the party's leadership, our country once again clearly demonstrated its ability. We were able to stand firmly to carry out development, maintain political stability, reduce inflation, and promote economic growth. We also won more friends, despite the continuation of the U.S. policy of embargo.

The stability and progress achieved by our country is a decisive factor for us in creating favorable conditions to attract more foreign investment to support our national development.

These initial positive changes not only affirm our party's correct policy of renovation but also attest to its ability to overcome ordeals and difficulties, to gradually extricate itself from the socioeconomic crisis, and to surge forward mainly with its own intellect and efforts. They also serve as a new basis for our country to step up socioeconomic development in 1993 and the ensuing years with new capabilities and under new and favorable conditions.

Since it assumes the responsibility of the country's leadership, the prestige of the party must, first of all, be linked closely to the nation's development. The strength of the party lies in its correct policies and close link with the people, as well as in the militancy and leading role of every party organization and every party member.

Under the present situation, when implementing various resolutions of the Party Central Committee, we must firmly grasp the socioeconomic situation, considering this a central task. However, we must also consider party building as the key task.

As Comrade General Secretary Do Muoi has put it, the party must undergo renovation to constantly improve its political quality and to enable it to be firm always under all circumstances. Meanwhile, efforts must be made to enhance its practical organizational ability so as to advance the country's renovation along the line of socialism—the path that has been chosen by our people and party and Uncle Ho.

## Article Discusses Peaceful Evolution

*BK0702033293 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 4 Feb 93*

[Essay by doctoral candidate Nguyen Khanh Bat: "Fighting Peaceful Evolution in Cooperation and in the Economic Struggle"]

[Text] The Party Central Committee's Third Plenum pointed out: Indochinese countries, especially Vietnam, are among the targets of hostile forces' peaceful evolution and subversive strategy. Reactionary forces outside and inside the country are trying to discredit our party and our regime, promoting political pluralism and multiparty opposition, inciting division within the party's internal ranks and and between the people and the party.

After the crumbling of a host of socialist countries, notably the June 1989 counterrevolutionary rioting in Beijing, the Chinese people have reached a conclusion that the peaceful evolution strategy is the soul of the super-containment or beyond-containment strategy and is therefore a main danger to socialism at present.

It is the political theorists and leading state officials of the bourgeoisie, especially the United States, who have time and again talked about and personally directed various peaceful evolution activities. For example, in July 1992, within the framework of the November 1992 presidential election campaign, when meeting with a number of European and former Soviet residents in the United States, ex-President Bush said: I am very happy that during my first term of office, I could witness the liberation in your country. If elected for the second term, I would continue to struggle to liberate the peoples of Cuba, Vietnam, China, and the DPRK. He even hoped that he would be the first U.S. president to set foot in a democratic Cuba.

All these proofs show that hostile forces are paying great attention to using the peaceful evolution strategy to eliminate socialism. Furthermore, Bush's ambition to completely eliminate socialism at a date earlier than what was set by ex-U.S. President Nixon who advocated that by 1999, the United States would gain peaceful victory—victory without war.

We know that the class struggle between socialism and capitalism is occurring under the three major forms—political, economic, and ideological struggles. Under the current circumstances when the peaceful evolution strategy has become a real danger to socialism, the economy which, according to Nixon, capitalism is holding an absolute advantage, is given special attention by imperialism during the process of peaceful evolution. The socioeconomic crises of socialism have been all the more of a booster for reactionary forces to use economic, scientific, and technical powers to serve that objective.

It should be emphasized that the inventors of scientific socialism, notably Lenin, said: If the construction task is successfly tackled, the restoration of the old regime will be inevitable. Lenin himself also mentioned the term economic war when talking about this task. He also emphasized: We are pursuing a much larger war; the economic war will take the place of the war with the use of weapons and tanks. We will have to mobilize more manpower in this war than in that one.

Lenin also anticipated the possibility of socialism being defeated in the economic war when he wrote: Indeed, this war also has new difficulties and new dangers.

Facts show that at present, a bulk of economic, scientific, and technical potential in the world is manipulated by capitalist countries or their organizations. This is true not only to Europe, North America, and but to Asia and Southeast Asia. The United States and Western countries realize that to get out of crisis and to achieve growth, socialist countries, including Vietnam, need capital and scientific and technical know-how from capitalist countries. They have taken full advantage of this situation to exert pressure and impose political conditions in the advance toward creating a peaceful evolution in socialist countries.

Capitalism will never give anything free to any country, especialy when that country is pursuing the socialist path. To them, providing assistance or aid to socialism is regarded as a commodity for sale with political conditions attached. Bourgeois political economists categorically declared: We do not have any blank checks. Economic aid must be carried out, depending on the extent of political democracy. The U.S. Department of State affirmed: Socialist countries wishing to have U.S. aid must comply with the following four conditions:

1. Make visible progress in the advance toward achieving political pluralism and putting an end to the monopoly of the communist party. Freedom of speech, freedom of press, and freedom of activities of various parties must be guaranteed by law and not just by words.

2. Make progress in economic reform based on the emergence of a market-oriented economy with an important and rapid-growing private sector.
3. Respect for human rights, including the freedom of immigration.
4. Establishment of friendly relations with the United States.

If these four preconditions are accepted, it is certain that a transfer of power will occur by peaceful means. The socialist state will be finished. There has been a precedent for this in the world. We need to forsee this danger and find a method of doing away with the pragmatic trend now existing in socialist countries.

Hostile forces are using the economy and a bourgeois lifestyle to conquer the hearts and minds of the younger generation. Nixon assessed: Nowadays, the younger generation does not have any daydreaming and ideologically gullible people but rather pragmatists. Pragmatism is paying the way for the process of peaceful evolution.

Reading through these absurb demands and assessments and looking at the collapse of the East European countries and the crumbling of the world's first socialist state, everyone, including those running after the pragmatic lifestyle, can undertand the true nature of the political designs behind the aid giving of capitalism.

The state of economic weakness of socialism can in no way be quickly overcome. We should not allow the enemy to take advantage of this weakness to offer aid so as to develop pragmatism and carry out the peaceful evolution strategy.

Under the conditions of the scientific and industrial revolution where the internationalization of the world economy has become a essential symbol of the current stage, the exercise of door-opening to achieve cooperation with the outside world is a demand of every nation and people. Antisocialist forces are taking advantage of this trend to carry out the peaceful evolution strategy. It is not coincident that since the Lenin era to the conferences of communist and workers parties during the period 1957-60, our whole party believed that in relations with capitalism, it is the foreign policy of socialist countries to achieve peaceful coexistence and engage in economic competition. This means that under conditions of peaceful coexistence, the economy will become the main front in the struggle between socialism and capitalism.

Lenin once said: Socialism can achieve double benefits from its economic, scientific, and technical cooperation with capitalism. Not only will this bring about economic and technical benefits and experience on productive organization and management but it will also serve as an indirect guarantee for peace.

However, we should not forget Lenin's special emphasis that socialism can gradually collapse during that process of economic cooperation, through those measures now regarded as one of the indications of peaceful evolution. He said: When promoting increased economic and trade relations with capitalism, we should take into account their intrinsic habit of striving to spoil our peasants and ordinary masses. Therefore, he advised that all managerial and supervisory measures should be taken against bad influences and efforts should be made to closely monitor the enemy. Lenin concluded: This is also a type of war, a struggle between the two methodologies, two regimes, and two economic systems—between communism and capitalism.

Realities show that any country or any area which has economic cooperation with capitalism without strictly observing these teachings of Lenin has had to pay a high cost. These teachings still have practical meaning, even for today's Vietnam.

As said above, hostile forces have given specific attention to using the economic front to serve their peaceful evolution strategy. It can be said that the peaceful evolution strategy is always a real danger to the backward and feeble socialist economy. Therefore, the fact that the Communist Party of Vietnam has affirmed that in the first stage, the party must use economic reform as the central objective and that in economic reform, it must be highly cautious. Moving forward step by step steadily must be regarded as the most effective measure against the peaceful evolution strategy.

Although the enemy has not yet renounced their goal of eliminating socialism in Vietnam—a country regarded by them as a focal point and the last bastion of traditional socialism, the initial yet very important results of the renovation undertaking, notably economic renovation, and the political stability of our country have spoiled the peaceful evolution plan of hostile forces.

Peaceful evolution-related ideas and actions came to life over 40 years ago. However, never before have the imperialists directed their efforts at this objective more than over the past few years. Facts show that they have regained successes in Europe. Now more than ever before, if we fail to realize and to resolutely struggle to oppose peaceful evolution on various fields, with the economic field occupying an important role, it would be hard for us to speak of protecting socialism. This is not an interpretation but the development of the logic of the class struggle. This view was once again reflected clearly in the resolution of the Seventh Party Central Committee's third plenum.

To us, for the time being, economic development is the central task that influences all other areas of work. And to achieve economic development, we should broaden our foreign economic relations. But by doing this, we will create opportunities for hostile forces to take advantage so as to undermine our political security and public order and safety. Therefore, while developing our foreign economic relations, we should pay attention to maintaining our political and social security and to preserving and developing those fine traditions and traits of our folk culture and should ensure national growth along the direction of socialism.

The resolution pointed out: In economic relations, we should ensure equality and mutual benefit in economic relations, both domestic and foreign, and should do our utmost to exploit all domestic potential along the renovative line with a determination to be self-sufficient to create solid internal factors. These are the main course of action to take the country forward and also essential conditions to broaden our foreign economic relations.

## Premier Meets Heads of Major State Businesses

*BK0502154793 Hanoi VNA in English 1303 GMT 5 Feb 93*

[Text] Hanoi VNA February 5—During a meeting with general directors of major state-owned businesses in Ho Chi Minh City on February 3 Prime Minister Vo Van Kiet affirmed the key role of state-owned businesses in the present economy of Vietnam.

He said : 'It is time to step waiting for state budget allocations. Instead, the state enterprises must mobilise all potentialities and apply all measures to draw capital at home, borrow from cooperate with foreign partners for development investment and put into operation at the earliest possible time those projects where capital redemption is most likely. The state is ready to help and to stand guarantee for the loans including foreign loans'.

The prime minister said that the government will soon promulgate policies to encourage the production of goods for home consumption and export to inject necessary investments in major enterprises the products of which will have a major impact on many economic branches.

## Chairs Meeting on Socioeconomic Issues

*BK0602132193 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 5 Feb 93*

[Text] On 1-4 February, the government held working meeting in Ho Chi Minh City with people's committee chairmen of 53 provinces and cities on several important socioeconomic issues in 1993 and subsequent years.

Attending the meeting were also secretaries of some provincial and city party committees; representatives of some Party Central Committee departments, Supreme People's Court, Supreme People's Organ of Control, and central organs of some mass organizations; chiefs of central government offices; and general managers of big state economic units.

Prime Minister Vo Van Kiet chaired and delivered an opening speech at the meeting. Deputy Prime Minister Phan Van Khai presented economic, financial issues that need to be solved in 1993. Deputy Prime Minister Nguyen Khanh addressed on the intensification of leadership to create significant changes from 1993 in the domains of education, science, and culture and society. Deputy Interior Minister Pham Tam Long, on behalf of the Standing Central Committee Against Corruption and Smuggling, set forth the planning for the implementation of Decision 114 of the prime minister on urgent measures to prevent and eradicate corruption and smuggling. Minister of Government Office Le Xuan Trinh reviewed government activities in 1992 and some issues on the relationship between the central and local governments. After that, the meeting participants discussed and contributed many opinions on the aforementioned issues.

As regard economic and financial issues, the participants unanimously agreed with the government's evaluation. They voiced their support to policies and measures to accelerate production in major economic sectors. They suggested that investment in agro-forestry infrastructure construction should be increased and the credit system in rural areas should be further expanded to encourage farmers to legally enrich themselves and help poor peasants to increase production so that poverty in rural areas can be quickly ended. They urged the government to solve problems relating to the marketing of agricultural products, quicken the reorganization of industrial production, establish appropriate industrial structure management, and apply encouraging policies and create favorable conditions, in the same preference as foreign investors, for the people with capital investment to build new establishments in industry and service.

Relating to cultural and social issues, the participants agreed with the policies and measures in every field of cultural and social matters in 1993, which mainly focus on fighting against drug addiction and prostitution with resolute and efficient measures.

About corruption and smuggling, all localities showed their determination to implement the urgent measures outlined in the Prime Miister's Direction 114. They stressed the necessity to unitedly coordinate between all levels and sectors with law enforcement agencies. The investigation and prosecution must be conducted in a uniform leadership and the trial must be fairly held. At first, 10 major cases at the central government level and 181 big cases in provinces and cities must be tried in this quarter.

Regarding some issues concerning the relationship between the central and local governments, the participants contributed many opinions on the delineation for the management of socioeconomy, budget, central and provincial cadres, and cadres training, especially ethnic cadres. They also suggested redefining the duty and power of the government level in finalizing the public fund. The administration mechanism at all levels must be made uniform in their working regulation. And cabinet members need to work more with people's committee chairmen of provinces and cities.

After four energetic, serious, and concentrated working days, on 4 February afternoon, Prime Minister Vo Van

Kiet concluded the meeting. He pointed out the important issues and measures that need to be paid attention to and implemented after this meeting at all levels and in all sectors in order to create a new dynamism for the determination to realise greater achievements in our socioeconomy.

## Do Muoi, Dao Duy Tung Visit Ninh Binh

*BK0702103593 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 5 Feb 93*

[Summary] "From 30 January to 2 February, Comrades Do Muoi, general secretary of the Communist Party of Vietnam [CPV] Central Committee and Dao Duy Tung, member of the party Central Committee Political Bureau and Secretariat visited and worked in Ninh Binh Province.

"The two comrades held working sessions with the provincial party and people's committees, and leading cadres of Hoa Lu, Hoang Long, and Kim Son Districts. They heard reports on the situation and results of tasks of these localities during the past 10 months, toured a number of historial places, called on families of fallen and sick soldiers, and visited various privately run production establishments."

On 1 February, Comrades Do Muoi and Dao Duy Tung visited Thuong Tiem village, Kim Son District, where thousands of local people gave them a warm welcome.

"Addressing a meeting with the local party organization and people, Comrade Do Muoi commended the people of Thuong Tiem village for their efforts and contribution to implementing state tasks. He wished the village party organization and people a happy and prosperous year. He urged them to strive to develop the village's tradition of heroism, take the lead in the struggle against hunger and illiteracy, and seriously implement the family planning program."

At Kim Son District, Comrades Do Muoi and Dao Duy Tung visited a local Catholic church and were warmly welcomed by Catholic Priest Nguyen Van Yen.

"General Secretary Do Muoi solicitiously inquired about the health of Bishop Bui Trung Tao, 86, of the Kim Son Catholic Church. He presented gifts and extended best wishes to local Catholics. In his talk to them, the general secretary said: Thanks to the all-people efforts and unity, our country now is an independent and sovereign state. However, our country is facing numerous difficulties, and as a result we must strive to strengthen our unity—especially between religious groups and nationalities—to work together to build the country more prosperously and beautifully. The Catholic Church must strive to develop its role as a religious association of an independent and sovereign country. It must contribute to leading and motivating Catholics to engage in production and business; improve the people's material life; struggle against hunger, poverty, and illiteracy; carry out the family planning program; and urge the people to satisfactorily implement the citizen's obligations."

## 1992 Allocations to Mountain Regions Increase

*BK0702074093 Hanoi VNA in English 0645 GMT 7 Feb 93*

[Text] Hanoi VNA Feb 6—Budgetary allocations to highland areas nationwide in 1992 increased markedly as compared with other regions, but still remained low to demand and their efficiency was not altogether satisfactory said the nationalities council of the National Assembly in a recent report.

According to the report, funds for capital construction alone was estimated at 530 billion dong accounting for a considerable percentage of the national spendings, of which 202 billion went to the 11 mountain provinces in the north or a two-fold increase as compared with 1991. For their part, the four provinces in the Central Highlands received 65.5 billion dong, or 2.3 times higher than what they were granted the previous year. All allocations to other mountain regions marked a rise of 1.2 times to 2.7 times over 1991.

Allocations for other public spendings in the highlands also posted a rise, the report said. More than 343 billion dong was invested in building new economic zones and new settlements, improving basic education and health care systems, especially the programme against Goiter and Malaria, and subsidising transportation cost. Furthermore, an additional sum of 324 billion dong was deposited by concerned ministries and branches for use in emergency cases at targeted areas.

However, funds for infrastructures development projects were lower than expected, and the structure and use of funding were not yet rational, the report noted.

Allocations for projects in energy, afforestation, irrigation and transport were respectively 4.1, 5.7, 3.7, and 19 per cent as compared with the total investment for capital construction in the whole country in the same period. Since funds for road construction and improvement in the highland never excesded 25 percent of what was needed, the road network there remained in poor shape. Thus, 62 percent of the total length of highways is surfaced with gravel or earth, while 80 percent of the total length of interprovincial roads is of earthwork. About 230 mountain villages are inaccessible by car.

Without a proper infrastructure development plan, highlanders in many places are finding themselves isolated from the rest of the community and in short supply of many essential goods. Yearly food output in the highland increased 2.5 percent as compared with a population growth rate of 3-3.5 percent. This situation is causing many social problems in the highland.

Still according to the report, most highland provinces have been unable to balance their budget accounts, and none of them could cover more than 30 percent of its public spendings. This explains why education, health care and other public welfare facitilities are irresistibly degrading.

## Finance Ministry Holds Conference on 1993 Tasks

*BK0802093993 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 7 Feb 93*

[Text] In Ho Chi Minh City on 5-6 February, the Ministry of Finance held a conference with financial cadres to discuss tasks for 1993. Comrade Ho Te, minister of finance, chaired the conference.

Comrade Phan Van Khai, deputy prime minister, attended and addressed the conference. In his speech, the deputy prime minister commended the financial sector for its efforts and achievements scored during the past year. He said: The socioeconomic development task, the collection of state revenues, and the implementation of state budget in 1993 are very onerous responsibilities. This requires us to make greater efforts to fulfill the socioeconomic targets set for the year. To satisfactorily fulfill the assigned tasks, the financial sector must realize that it has been charged not only with the duty of collecting revenues and implementing the state budget, but also with the duty of promoting and creating favorable conditions for vigorously developing the socioeconomic domain. Financial cadres must be good friends to all business establishments in order to help the latter effectively carry out their activities. On this basis, they must advise these establishments to consistently pay their taxes in accordance with the law. Tax collection is one of the important macro-management tasks in the market economy because it helps to regulate, promote, and encourage production activities.

At present, there are still many shortcomings in tax collection work. As a result, financial cadres must strive to actively contribute to improving this task. It is imperative for the financial sector to concretize and cleary define tax rates levied on each kind of merchandise.

Comrade Phan Van Khai stressed: In 1993 and the ensuing years, the financial sector must make its utmost efforts to fundamentally eliminate corruption and negative practices which are still prevalent among its cadres. It must strive to positively participate in the struggle against corruption at various sectors and socioeconomic agencies. It must also promptly perfect its organizational machinery, renovate and enhance its capabilities, monitor and discharge degenerate cadres, build a contingent of pure and competent financial cadres, strengthen and improve its activities using modern equipment and facilities, and promote studies and research on topics related to the work of the sector in order to catch up with the development of countries in the region and the world.

## Agreement on Sailors for Japanese Ships Signed

*BK0802123693 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 6 Feb 93*

[Text] Following a reorganization of the work force to make it consistent with manpower, equipment, and means on hand, 30-40 percent of the officers and sailors in the Vietnam Maritime Department are without jobs. In 1993 the department signed a contract supplying 300 officers, sailors, and attendants to various Japanese shipping companies, thus increasing the number of personnel supplied to four times that of 1992.

## Australia

### Employment, Investment Incentives Expected

*BK0802075893 Hong Kong AFP in English 0724 GMT 8 Feb 93*

[Text] Sydney, Feb 8 (AFP)—Incentives to boost investment and employment growth will be detailed Tuesday in an economic statement with which Australia's Labor Prime Minister Paul Keating will effectively launch his campaign for re-election on March 13.

Up to now, Australia has seen little from either side of the political fence except an unusually vitriolic campaign of abuse and personal vilification—of which it is evident the public has had enough.

But the indications Monday were that Keating, Australia's acknowledged master of invective, had taken to the high ground at least for the time being, emphasising only the positive while refusing to respond to taunts.

Voters will go to the polls to elect the 147 members of the House of Representatives and half the 76-strong Senate. Labor holds 77 seats in the outgoing House, but a swing of 0.9 percent would be enough to put a conservative coalition of Liberal and National parties into government.

Coalition leader John Hewson challenged Keating to run a campaign free of lies and misrepresentations, telling reporters that Labor would mount a "massive scare campaign" focusing on the opposition's health and industrial relations policies.

But Keating said the public could judge his government on its actions.

He said trade was the sort of important issue on which the public should make up its mind about the merits of the government and opposition during the campaign.

"I ask the Australian public to judge me and the Labor Party on what we say and do," Keating told a news conference.

Addressing a trade conference earlier, Keating proposed a common market for the Asia Pacific region's 15 strongest economies which he predicted would become the "the world's most dynamic zone of production."

In a lengthy speech which highlighted Australia's achievements as an exporter, the negatives which had dominated his rhetoric and that of his opponents for weeks was absent.

One Labor official told AFP on Monday that Keating had refused to be provoked last week when Hewson said the prime minister may have personally benefited from decisions of his government.

"I think everybody has had enough of this abusive personal stuff," the official said.

Keating's speech Monday acknowledged unemployment as Australia's major problem, and proposed strengthened trade links with Asia and the Pacific rim as the best long-term solution.

"Our overriding priorities over the next three years are to reduce unemployment and to continue to strengthen our trading performance," Keating said.

The importance of employment as an issue in this election was emphasized again by a survey of job vacancies released Monday by the ANZ Banking Group. It indicated that the rate of unemployment is unlikely to fall from 11.3 percent in the coming months.

Government data has showed that unemployment dipped from a postwar record of 11.4 percent in November to 11.3 percent or 978,700 people in December, although some analysts are tipping it will top one million with the release Thursday of January's figures.

Analysing its own data, ANZ Group economist Graham Hodges said it suggested that "employment growth will remain modest in coming months, with little prospect of a fall in the unemployment rate."

However, an opinion poll by Time magazine showed that despite record unemployment Labor would still have won an election held during the last two weekends of January by a margin of five percent.

It also supported the findings of other recent polls that Keating is more popular than his opponent, although Labor sources say nobody would be "too excited" about the latest poll.

In the meantime, the Australian dollar slumped by more than half a cent closing Monday at 67.13 U.S. cents after the weekend announcement of the March 13 election.

Keating said the aim of his economic statement, to be delivered in a lunch address to the National Press Club, is to restart employment growth and boost business investment.

### Keating Delivers Key Economic Statement

*BK0902035093 Melbourne Radio Australia in English 0300 GMT 9 Feb 93*

[Text] Australia's prime minister, Paul Keating, has unveiled a key election economic statement in a bid to kickstart investment and lower the nation's high unemployment rate. Mark Tamhane reports the statement is aimed squarely at business and boosting Australia's export performance:

[Tamhane] If reelected on 13 March, Mr. Keating proposes lowering the company tax rate next financial year from 39 to 33 cents in the dollar. While Austrlia has a competitive tax rate compared to Western nations, he says Canberra's integration into Asia means it has to compete with the lower business tax regime of its regional neighbors.

There is also an additional 10-percent depreciation allowance on equipment for business. The nation's central bank, the Reserve, has been instructed to see why commercial banks are reluctant to lend to small and medium size businesses, and the government will also reduce its stakehold in the Commonwealth Bank, allowing it to raise more money on the stock market.

The cost of childcare for working parents will be lowered with a 30-percent cash rebate, while income tax [on] social security benefits will be eased. The government has revised down its budget growth forecast from 3 to 2.5 percent and says the current account deficit will now be around $17 billion or 4 percent of GDP. It is also predicting unemployment will fall only slightly, hovering around 11 percent by the middle of the year.

## Papua New Guinea

### PM's Indonesia Trip Includes 140 Businessmen

*BK0802071693 Melbourne Radio Australia in English 0500 GMT 8 Feb 93*

[Text] Papua New Guinea's [PNG] prime minister [PM], Paias Wingti, has chartered an airbus jet to take more than 140 businessmen on a state visit to Indonesia. The Pacific News Services, Pacnews, says Mr. Wingti asked the private sector to accompany him because of his belief that PNG's economic future depends on strengthening its links with Asia.

The state visit which starts on Wednesday includes a major drive to introduce PNG's private sector to their Indonesian counterparts. Mr. Wingti says that after this trip he intends to visit another Asian country within the year.

## Tonga

### Pro-Democracy Candidates Gain Seats in Assembly

*BK0502035893 Hong Kong AFP in English 0343 GMT 5 Feb 93*

[By Michael Field]

[Excerpts] Nuku'alofa, Feb 5 (AFP)—A one-time school teacher who has galvanised Tonga's sleepy political scene served notice Friday on 74-year-old King Taufa'ahau Tupou IV that democracy's time has arrived in the kingdom.

In elections Thursday, candidates allied to pro-democracy leader 'Akilisi Pohiva took at least six of the available nine commoner seats.

The king fills 12 of the seats in the assembly by appointing a cabinet, while Tonga's 30 nobles have nine seats.

Since entering parliament in 1987, Pohiva has fought a lonely and so far unsuccessful battle for parliament to become democratic, but after Thursday's success he said he would seek an audience with the king and his ministers to ask for popular elections for all seats.

He also said a parliamentary motion asking for democracy would be resubmitted.

"The outcome should make them review and rethink, and look at themselves, and try to do something," Pohiva said in an interview.

As results came into his home there was no celebrating or cheering, just a small group quietly listening to the radio. There were certainly no calls of congratulation from Prime Minister Baron Vaea, who had gone to a rugby tournament.

After it was clear he had lost his seat as an MP, ideological rival Laki Niu called, and despite their bitter arguments during the campaign Pohiva hung up saying "He's a good loser, I like him."

The king could simply ignore the election result. With preliminary figures pointing to a voter turnout of no more than 55 percent it hardly seems a ringing endorsement—yet observers point out that the electoral rolls are full of names of emigrants and people long dead.

Sources here said the king's strategy would largely depend on who influences him, suggesting he pays most attention to Speaker Noble Fusitu'a, the Tongan president of the World Anti-Communist League, who believes democracy is an undesirable foreign doctrine.

But if the king agrees with his speaker, he will find the 51-year-old Pohiva a stubborn opponent. [passage omitted]

Pohiva was an orphan by age 10 but managed largely on his own to become a primary school teacher. He eventually became a teachers' college lecturer and in 1981 chaired a programme on state radio called "Voice of Concern."

One 1985 programme so annoyed the government that he was fired, leaving him, his wife and seven children penniless and homeless. He sued the government for damages and won and in the meantime he had become an MP, crusading against corruption and the habit of cabinet members and noble MPs of paying themselves high allowances and overtime.

On the basis of preliminary figures, Pohiva is Tonga's most popular man, and his movement, if it had been organised into a party, the main political unit.

Returned to parliament with him were businessman and devout Methodist Viliami Fukofuka, a long-time Pohiva ally, and former finance secretary 'Uhilamoelangi Liava'a who has come over to democracy's cause.

Pro-monarchy supporter Viliami Afeaki was defeated while pro-democracy MP Teisina Fuko was returned, as was new pro-democracy MP 'Uliti Uata.

But even if the struggle is difficult, Pohiva vowed that violence would be rejected.

"We have no plan of putting up any violence, anything that goes against the government," he said.

## Official Rejects Opposition Claims of Victory

*BK0502060893 Hong Kong AFP in English 0553 GMT 5 Feb 93*

[Excerpt] Nuku'alofa, Feb 5 (AFP)—A government official Friday rejected pro-democracy advocates' claims of victory in Tonga's general election, saying the results failed to give them any mandate for change.

"If this was an election in Australia or New Zealand then both parties would declare a victory," said deputy cabinet secretary 'Esata Fusitu'a. "Nobody in their right mind would consider those figures a mandate for anything."

Commoners went to the polls here Thursday to elect nine members of a 30-seat parliament in which King Taufa'-ahau Tupou IV appoints 12 members, who make up the cabinet, and nobles elect nine members.

Pro-democracy MP 'Akilisi Pohiva said yesterday candidates endorsed by him had won at least six of the commoner seats and that on the basis of this result his movement would seek an audience with the king to ask for popular elections for all seats.

But Fusitu'a—the only official to comment so far on the results—rejected Pohiva's claim, saying pro-change candidates had won only five of the seats up for grabs.

Pro-change candidates had expected 70 percent of the vote, she said, but had only got 25 percent.

"Now you tell me whether Australia or New Zealand makes national policies on 25 percent of anything," she said.

Fusitu'a said pro-status quo candidates for the three seats in Tongatapu, one of Tonga's three island groups, had increased their showing by around 50 percent over the 1990 election, while the pro-change vote had dropped by around 10 percent.

Tongan people are moving away from the pro-change candidates, the official said, because now "the king's role was the centre of their attention" and they were beginning to look at what services pro-democracy MPs had actually provided for them.

"It is the government that is providing those services," she said, not the likes of Pohiva, who she said did nothing but disrupt parliament. [passage omitted]

## Prime Minister: No Public Desire for Change

*BK0802043293 Hong Kong AFP in English 0305 GMT 8 Feb 93*

[By Michael Field]

[Text] Nuku'alofa, Feb 8 (AFP)—The royalty and nobility of the rundown kingdom of Tonga feel it is their duty to maintain a lavish lifestyle because it is what the poor majority of the country wants.

They believe that the kingdom's 97,000 population do not want change and part of not changing is for them to continue ruling the country in luxury.

There is no starvation in a country that grows food easily, but most people are very poor.

In an interview Prime Minister Baron Vaea of Houma said commoners like the idea of an elite leadership. They do not want to become democractic, leaving King Taufa'ahau Tupou a figurehead.

"Being small, we would be like any other small country and there would be change after change, followed by another change, and this would go on...," Vaea said.

"This is why they feel living in the tradition of the people we are quite content. Not only content, but people have accepted their was a heirarchy in the society. [sentence as received] They accept that."

Commoners can, he said, improve themselves through education, although not to the extent of the royal and noble families who put their children through Auckland and Sydney boarding schools.

Vaea said commoners could not be allowed to "stand there and bring the whole country down and say right, let us be the same."

Although Vaea gets around in a Mercedes, now well into his 70s he is a genial, unpretentious person.

His office is dominated by the royal family portraits, including the long dead but still much loved Queen Salote. The only recent addition to the rough, yellow painted wall is a "Toyo Contruction Company" 1993 calendar of a goldfish pond nailed above his desk.

Vaea is not subject to democratic whims—the king appointed him to cabinet for as long as he wants to be there.

At the time of the interview commoners were electing their nine members to the 30 seat assembly.

The election was seen by many as a referendum between the pro-democracy camp (the government prefers to call them "pro-change") and the pro-status quo. After the election both sides claimed victory.

Vaea was distant from the whole process.

"It is just a normal election, the issue of democracy and change from our government has been a controversial issue and I believe people are free to discuss this issue," he said.

Government was willing to look at change, although on a limited scale and within the constitution drawn up by King Tupou I in 1875.

"I don't see a need for change at all. I agree to change in various other parts of the economy, but with the culture it is very difficult for me to foresee a need for change," Vaea said.

He said ordinary Tongans did not like change and democracy did not suit them.

"Tonga is amongst the last in the race ... For Tonga to change to what is going on in another country would be detrimental."

Tonga, he said, lacked resources and technology, so it was better to stay the way it was.

It is Vaea and his government who insist on salaries that are high by even international standards, and the trappings of wealth.

Still, he insisted repeatedly that ordinary Tongans did not want change: "People will not consider the implications of any change, they will just say 'please, don't touch, leave it as it is'."

In common with most nobles, Vaea argues that the pro-change camp has not spelt out its demands. To an outsider it seems they have: full adult suffrage, elections for all seats in the house, with the king naming a cabinet from elected members.

Vaea repeated what has come to be something of a noble chant that could be titled "Look at the Russians." More than one senior noble tells the same story. The Russians, Vaea said, were persuaded by Lenin to change their political system in 1917.

"Today people know that that is not what they wanted, so they change again."

Vaea's point is simple: why bother to change in the first place.

## Western Samoa

### New Zealand Foreign Minister Visits

*BK0602095293 Hong Kong AFP in English 0942 GMT 6 Feb 93*

[Text] Apia, Feb 5 (AFP)—Visiting New Zealand Foreign Minister Don McKinnon said Friday his country would give Western Samoa aid worth 50,000 New Zealand dollars (25,600 U.S.) to help with repairs after a recent cyclone.

Cyclone Lin last week struck crops and damaged the electricity system here.

McKinnon said relations between Western Samoa and New Zealand had reached the stage where problems between them could be sorted out by a telephone call.

He said New Zealand was disappointed at the cyclone damage to the island's new banana crop, which was to have been exported to New Zealand next month.

The foreign minister, on his first official visit here for two days, also said he was "pretty impressed" by local efforts to diversify the economy and lessen a dependance on agriculture.